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The International Movie Industry

Edited by Gorham Kindem

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DER AUFSTAND

The International Movie Industry

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Edited by Gorham Kindem

Southern Illinois University Press
Carbondale and Edwardsville

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Printed in the United States of America
03 02 01 00 4 3 2 1

Library of Congress Cataloging-in-Publication Data

The international movie industry / edited by Gorham Kindem.
p. cm.
Includes bibliographical references and index.
1. Motion picture industry—History. 2. Motion picture industry—Economic aspects. 3. Motion picture industry—Social aspects. I. Kindem, Gorham Anders.

PN1993.5.A1 I54 2000
384.8—dc21
ISBN 0-8093-2298-6 (cloth : alk. paper)
ISBN 0-8093-2299-4 (paper : alk. paper) 99-052977

The paper used in this publication meets the minimum requirements of American National Standard for Information Sciences—Permanence of Paper for Printed Library Materials, ANSI Z39.48-1992. ♾

M01 Release

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Preface

This anthology was initially inspired by a request from Mr. James Simmons at Southern Illinois University Press for me to edit a revised version of a previously published collection of essays, entitled *The American Movie Industry* (SIU Press, 1982). Given the fact that a number of books, including my own, have explored the history of Hollywood in some depth, we decided that it was more important at this time to put together a history of the international movie industry from its inception to the present day.

To that end I invited a number of scholars who are experts in specific "national" cinemas and culture industries and whose work I admire to contribute to this anthology. Each of their chapters focuses upon a specific movie industry's economic (and related social, aesthetic, technological, and political/ideological) development within an international context over the past century. Together they provide insightful and thought-provoking studies of eighteen (nineteen including the United States) different national movie industries, which comprise a global history of the movie industry. I am extremely grateful to each of the scholars whose work is presented in this collection of essays.

In an attempt to make their different approaches and important insights as accessible as possible to general readers and beginning film students, I have written a summary of each chapter at the conclusion of the book, which encapsulates each author's basic perspective, arguments, and findings and then offers some tentative conclusions about the United States' role in the international movie industry and other countries' responses to Hollywood. In so doing I hope that the book will be useful to students enrolled in film history courses.

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The International Movie Industry

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1

Introduction

Gorham Kindem

Movies are both art and commerce, creative expressions of national/cultural interests and preoccupations and part of a global entertainment market. The past century has witnessed a transformation of the movies from popular novelties that had potentially pernicious implications for some religious authorities, political figures, and other opinion leaders into highly valued cultural icons and commodities that have promoted national identity and specific political agendas, while also affecting international trade, including balance of payments and trade deficits.

Historical studies of movie industries and film economics offer important insights into international film history. Economic factors interact with social, aesthetic, technological, and ideological/political developments to help explain significant changes that have occurred during the past one hundred or more years of cinema. For example, as film scholars Janet Staiger and Douglas Gomery pointed out over twenty years ago, the sharing of cinematic styles between Germany and France that accompanied a multinational economic development in the 1920s, called "Film Europe," illustrates that "economic analysis provides part of the explanation for international artistic influence . . . [and] a solid understanding of the relation of economic theories to the writing of film history can contribute a step in the direction of a more rigorous, complex history of the filmic text."[1] In short, examining economic developments in the international movie industry can improve our global understanding of film art and popular culture.

This collection of nineteen movie industry histories offers a revealing portrait of the international movie industry from 1895 to the present day. Each chapter focuses upon important economic as well as related social, aesthetic, technological, and/or ideological/political developments within a national cinema that achieved some degree of domestic and international importance. National and international dimensions of each movie industry's emergence and development are portrayed as interdependent, that is, as two sides of the same coin. Movies have facilitated the international commodification and exchange of art and culture while promoting national identity and economic development since their inception. However, a number of scholars, including Radha Subramanyam and Peter Morris, whose work focuses on the Indian and Canadian movie industries, respectively, question the very idea of "national cinema," and its potential contribution to national identity, given the cultural diversity that exists within many countries. The commodification of national cultures raises important questions about national policies and international cultural relations. Government policies toward movies have often responded to competing demands for globalization and the preservation of "national" identity.

An important recurring issue that arises in many chapters in this book is the attempt to position domestic developments in opposition to a very prominent foreign competitor, such as Hollywood. Prior to World War I, the Italian and the French film industries pursued and secured many foreign markets, and the latter achieved a leading international position. Since that time, the United States movie industry has played a leading role internationally, stimulating many countries to adopt protectionist measures, such as tariffs and quotas, and various marketing strategies designed to successfully compete with Hollywood films both at home and abroad.[2] As a result, the issue of interaction and competition with the U.S. movie industry figures prominently in many of the movie industry histories presented in this book.

Clearly, many countries' domestic movie markets have been greatly impacted if not dominated by Hollywood movies since at least 1917. Others have maintained significant control over their own markets either by producing indigenous genres that have been extremely popular domestically, such as Indian musicals, or by having placed strict limits on the number of Hollywood films that have been distributed in their domestic markets, such as in Hungary prior to the fall of Communism or in China today.

Despite the undeniable importance of the U.S. movie industry internationally since at least 1917, the history of any other movie industry and indeed of the international movie industry as a whole cannot be defined exclusively in terms of cooperation or competition with Hollywood. The authors whose work is presented in this book go beyond writing historical narratives of cultural capitulation or resistance to Hollywood. Instead, as Joanne Hershfield cogently argues in her history of the Mexican movie industry, "the history of any national cinema is structured through a more complex operation of shifting strategies and alliances of domestic and foreign policies, economic and political ideologies, and social and cultural practices." Many chapters explore the effects of national and international crises, such as wars, economic recession and depression, revolution and other dramatic political changes, as well as shifting domestic policies. In addition, resistance to Hollywood is not treated exclusively as a national or domestic initiative, since multinational developments, including Film Europe during the 1920s and more contemporary European Union policies and strategies as well as Pan-African developments, have involved several countries and movie industries. Finally, resistance to Hollywood is rarely presented as a simple or a static phenomenon. As Marcus Breen aptly points out in his study of the Australian movie industry, "The political economy I adopt sees the United States and 'Hollywood' not as a simplified antagonist in an instrumental turn but as part of the larger perspective of world capitalism, where changes to components of production may provide new spaces for innovation in national and localized film." He states that the "political economy of the contemporary film industry is one that continues to undergo rapid change, as film production a la Hollywood is perpetually a model to emulate and reject."

The approaches and methods adopted by different authors are generally representative of the field. Although no author advocates either a free market/free trade or a vulgar Marxist approach to movie industry history, virtually every author explores how different countries have protected their movie industries domestically and promoted them internationally. Several studies examine policy issues related to the development of domestic movie industries and employ theories and methods drawn from the study of political economy. For example, Arnold Shepperson and Keyan Tomaselli's study of the South African film industry, Marcus Breen's analysis of the Australian film industry, Joanne Hershfield's study of the Mexican film industry, and Radha Subramanyam's examination of the Indian film industry raise important policy issues at the same time that they analyze the political economy of their respective film industries. Dmitry Shlapentokh's study of Soviet cinema concentrates upon the political determinants and implications of film content in a state-run economy, while my own study of the United States film industry and Andrew Higson's examination of the British film industry rely upon industrial analyses of film markets and market structures in a capitalist or mixed economy. Many chapters interweave terms and methods drawn from cultural studies and film studies with economic and/or industrial analysis. For example, Marc Silberman argues that the emergence of the German film industry assumed a special significance because it played an essential role in the mediation of culture during the society's growth as a major political and economic force by virtue of its power to subvert traditional oppositions between high and low culture, art and commerce, urbanity and domesticity. Cultural and sociohistorical issues and events play important roles in a number of chapters, including David Desser's analysis of the Japanese film industry, Joanne Hershfield's study of the Mexican film industry, Manthia Diawara's examination of the film industry in Senegal, and Beverly James study of the Hungarian cinema. Owen Shapiro's examination of Israeli cinema analyzes interviews with key production personnel and explores important connections between sociopolitical/historical issues and events and prominent themes that emerged in Israeli films.

The chapters are divided geographically into the following regions and countries: East Asia (Japan and China); South Asia and Pacific Rim (India and Australia); the Middle East (Israel and Iran); sub-Saharan Africa (Senegal and South Africa); Central and Eastern Europe (Hungary and Russia/Soviet Union); Western Europe (France, Germany, and Italy); Northern Europe (Great Britain and Sweden); South America (Brazil); and North America (Mexico, Canada, and the United States). The selection of regions and countries is intended to be globally and regionally representative rather than exhaustive. Obviously a number of important movie industries have of necessity been left out, such as industries in Arab cultures, including countries in Northern Africa and the Middle East. However, at least some of the characteristics of several movie industries in Islamic cultures and countries from this region are represented by the Iranian film industry, which is examined in some detail by Hamid Naficy. In the sections on North and South America, important movie industries in other North and South American countries whose film industries have perhaps been less extensive than those in Mexico and Brazil are not extensively examined. Nonetheless Mexico and Brazil are at least partly representative of other industries in these regions. In addition Shlapentokh's, James's, and Lent and Zhengxing's examinations of the Soviet, Hungarian, and Chinese movie industries, respectively, are at least partly representative of Socialist cinemas elsewhere, including Cuban cinema. Similar gaps exist concerning somewhat less extensive movie industries in East and South Asia, although again the situations in India, China, and Japan are at least partly representative of these regions. While a good argument could be made for the inclusion of the Spanish movie industry among others in Western Europe or the Czech or Polish movie industries among others in Eastern Europe, three major movie industries in Western Europe are examined in significant detail, and despite significant linguistic and cultural differences that exist between Hungary and other Eastern European countries, the Hungarian movie industry is at least partly representative of this region as a whole. Finally, while well-developed movie industries are explored more often than less developed ones in this anthology, some chapters, such as those focusing upon Canadian and Israeli cinemas, may be representative of somewhat less developed movie industries elsewhere, which are not discussed in this volume, such as those in New Zealand and Norway, for example. The book concludes rather than begins with an examination of the U.S. movie industry in part to emphasize the significant contributions of other countries to the international movie industry but also to affirm the notion that almost all roads lead eventually, even if somewhat circuitously, to Hollywood. While some of the countries examined in this anthology developed indigenous film industries more quickly and/or more extensively than others, each of them at some point achieved some degree of international recognition through foreign exploitation of their domestic markets and/or international distribution of their films.

Nationalism and internationalism have been important aspects of the movie business since its inception. Over the past one hundred years, at least two national movie industries, the French and U.S. movie industries, have played leading roles in international markets, prior to World War I and thereafter, respectively. Many national movie industries, including the French and U.S. industries, of course, adopted various protectionist measures to secure a place in their domestic markets for indigenous productions, which often promoted and projected some form of national identity. In some cases, domestic production has been diverse and substantial, such as in India, which remains the largest producer of movies in the world, although its share of the international market is considerably less than that of the United States. At the same time, some national movie industries have attempted to compete on the international market through relatively high-budget, Hollywood-style movies or through indigenous genres and/or art films that rely upon various forms of product differentiation to secure niche (smaller and more specialized) markets. Many national film industries that have had less lucrative domestic markets than the United States have also attempted to pool their limited markets and resources through coproductions or through multinational endeavors, such as Film Europe, the European Union, and Pan-African developments. Even completely nationalized film industries, such as those in the Soviet Union and Hungary prior to the 1990s or in China since 1949, have attempted to obtain some degree of international recognition as well as foreign income by producing movies that compete at international film festivals and on the global market. Both national and nationalized film industries have used movies to project and promote specific political/economic ideas and agendas both domestically and internationally, whether in the form of explicit propaganda, such as in Soviet films produced since 1917 or Nazi German films made during the 1940s, or somewhat more covert promotions of specific products, capitalism, and democracy, such as in U.S. movies made after World War II. Leif

Furhammar points out, however, that from a Swedish perspective during World War II, American movies often seemed more overtly propagandistic than did German films.

Clearly movies and movie industries have national and international dimensions as well as economic and cultural importance. Although the chapters presented in this book are divided into specific regions and countries, they focus as much upon international political economy as they do upon domestic cultural production. What I think distinguishes these essays as a body of work is that they offer more than autonomous economic and cultural histories of specific national industries and cinemas or simplistic historical narratives of cultural capitulation or resistance to Hollywood. Instead, as stated earlier, these histories suggest that national movie industries are "structured through a more complex operation of shifting strategies and alliances of domestic and foreign policies, economic and political ideologies, and social and cultural practices." These industries have been influenced by "a larger perspective of [global economics and] world capitalism, where changes to components of production may provide new spaces for innovation in national and localized film." Finally, "the political economy of the contemporary movie industry is one that continues to undergo rapid change, as film production a la Hollywood is perpetually a model to emulate and reject."

Notes

1. Janet Staiger and Douglas Gomery, "The History of World Cinema: Models for Economic Analysis," *Film Reader 4* (1979): 42.
2. Staiger and Gomery define tariffs and quotas in the following manner: "[A] tariff usually reduces the supply of a given import and, as a type of tax, generates revenue for the government. On the other hand, a quota specifically controls the supply of imports: for example, depending on the particular form of the quota, a government can limit certain types of imports or it can regulate the proportion of foreign goods versus domestic production. Both quotas and tariffs directly affect a country's balance of trade, but they do *not* necessarily affect current *export* capabilities—an important consideration for capitalist industries which seek to expand their markets" (36). Staiger and Gomery also suggest that France and especially Germany seriously challenged U.S. incursions into European markets during the 1920s: "[C]ontrary to the standard accounts, Hollywood's domination of French and German exhibition was neither total nor unchallenged. In fact, the U.S. began to feel the results of retaliation by the end of the decade with a subsequent reduction in its share of the market in Germany and France" (42).

2

Japan

David Desser

It would be impossible to write even a cursory survey history of Japanese cinema without acknowledging the manner in which this history is implicated within and impacted by larger sociohistorical events. The massive changes Japan experienced in the last one hundred years are coincident, of course, with the history of the cinematic medium itself. If the history of American cinema could not be told without recourse to such issues as the massive immigration from southern and Eastern Europe to the United States beginning in the 1880s, increased rural migration from South to North and increased urbanization in general, America's rise to world prominence at the end of World War I, the Depression, and the impact of World War II, among other factors, so, too, the Japanese cinema must be seen in context with Japan's rise to world prominence in its Meiji era (1868–1912), its colonialist expansionism leading to the disastrous Pacific War (1937–45), the Allied occupation (1945–52), Japan's "economic miracle" of the 1950s, and other factors of lasting import. Obviously it would be beyond the scope of this chapter even to begin to deal with these larger questions. Nevertheless, some general comments about the rise, growth, and development of Japanese cinema seem necessary before proceeding to a discussion of the salient aspects of feature filmmaking in Japan.

Cinema the world over arose, not coincidentally, in a period of increasing industrialization, urbanization, familial and cultural fragmentation, and, generally, escalating modernization. Perhaps nowhere were these linked forces more visible the world over than in Japan. Following the Meiji Restoration of 1868, Japan embarked on a virtual campaign of modernization that became inextricably linked to Westernization. The importation of Western sciences (never ignored, to be sure, but avowedly increased in this period), Western literatures, and even Western models of education and child rearing became not simply the rage but a national goal. This was particularly true in the political, educational, and cultural centers of Japan: Tokyo, Kyoto, and Osaka.

Industrialization led inexorably to increased urbanization, thus making these large cities swell with a population ever more attuned to developments in the outside world. The introduction of the cinema to Japan in 1897 came precisely in this period of Westernization/modernization. And the essentially urban nature of cinema-going positioned film, as it were, precisely in those areas of the country most attuned, most interested, and most concerned with industrial-technological-cultural shifts.

The cinema, as an essentially technological medium, an essentially *Western* technological medium, also fit in well with Japan's attempts to compete with the Western powers on the world scene. The Sino-Japanese War (1894–95), the Russo-Japanese War (1904–5), and the annexation of Korea and Taiwan (1910) are events surrounding the gradual introduction of film to Japan and the emergence of the Japanese film industry. But such events, as well as other cultural shifts, such as the Western-style novel being written in Japan (the so-called "I novel," or *shi-shosetsu*), changes in theatrical modes with the introduction of the Western-style Naturalist theater (*shingeki,* or "new theater"), and emerging radical politics of Marxism or Anarchism, do not simply surround the cinema but are vitally important to its growth and development.

Early filmmaking and early film-going first established themselves in the urban entertainment districts. Working and middle-class amusement districts in Tokyo, Kyoto, and Osaka, which featured performance modes like *yose* (variety theater), street fairs, storytelling, and the like, quickly accommodated early motion picture attendance. Similarly, cinema was rather quickly integrated into popular theater, kabuki in particular. This association with entertainment, rather than, say, moral uplift or educational uses (as was put forward in Great Britain or Germany in the first two decades of the twentieth century), would remain a characteristic of Japanese cinema throughout its history. This association with entertainment would always remain an important model in Japan, linking the Japanese cinema with the American (Hollywood) cinema with which it shares profound, important, and not coincidental similarities.

Though the Japanese would pioneer many important consumer and electronic technologies in later years, they had little to do with the "invention" of the cinema. Thus cinema was an import, associated with the "Western" world Japan wished to enter. Though the Japanese would early on (around 1900) begin to manufacture projectors, these were essentially modeled after the Edison machines that came to dominate the rest of world filmmaking as well. The earliest Japanese films were shot on the French-made Gaumont cameras. In addition, inspiration from the French may be found in the "subjects" of these earliest films: street or "life" scenes as were being made by the Lumière brothers at this time. And, as Edison cameramen began to film "exotic" subjects, so, too, by 1899, Japanese cameramen began to focus on geisha dances, in addition to popular street scenes in Tokyo. Of course, at this same time, Lumière cameramen were also shooting Japanese scenes (as indeed the Lumières sent cameramen to many and varied locations). As scholars of the early Japanese cinema have noted, there was very little difference between the subjects chosen by Japanese cameramen compared to Western cinematographers in Japan. Films, really just filmed scenes, were exhibited at fairs or the like primarily as technological wonders, and audience interest in them may be likened to mere curiosity. However, when a public performance was organized and shown on June 20, 1899, at the Kabuki-za in Tokyo (a large, ornate theater dedicated, as its name indicates, to kabuki), cinema as a theatrical mode, at least of exhibition, may fairly be said to have arrived in Japan.

If the earliest Japanese filmmaking differed little from its Western counterparts, and if features of early film-going are also shared between Japan and the West, certain differences also are apparent. First, it has been pointed out that the Japanese became interested in cinema almost as much for its technology as for any "content" projected by this technology. Second, it introduced quite literally a "view" on the Western world unmatched for its realism. A vogue for Western fashion in dress and hairstyle among the Japanese may be directly tied to cinematic importation of French, English, and American films. This same thing is also true in reverse of course. The "exoticism" of Japan as seen by French and American cameramen introduced a wave of "Orientalism" from which one can claim the West has yet to recover. Third, and most important, however, film viewing in Japan was always accompanied by "film explaining," that is, the *katsuben.*

Live vocal accompaniment to films was a feature of many, many film-going venues in the West. Silent film was never "silent," of course. Musical accompaniment was a regular feature everywhere by the late 1890s. But whereas in the West film explaining, the live vocal accompaniment to film, became ever more rare, in Japan the *katsuben* (variously called *eiga setsumei,* film explainer, or *benshi,* speaker or orator) became institutionalized—a regular, expected, sometimes dominant feature of virtually all cinema-going in Japan well into the 1930s. The *katsuben* is one unique feature of the early decades of Japanese cinema, and an important one.

Two dominant strands of filmmaking are apparent in early Japanese cinema: Kabuki stories and documentaries. In this sense, we again see essentially little difference, on one level, with the West, where proto-narrative films, a single staged event, say, or a deliberately theatricalized mini-story (e.g., Méliès's trick films) begin to appear along with the actualities of the Lumière brothers and early expeditionary films. For the Japanese audience, these proto-narrative films meant the staging or restaging of recent events or, more typically, scenes from kabuki. Such kabuki films even starred major kabuki actors. For instance, *Viewing Scarlet Maple Leaves* features Ichikawa Danjuro IX and Onoe Kikugoro V. This story of a nobleman who conquers a demon is typical of the kind of "fantasy" elements that kabuki cinema would feature for an entire decade.

Perhaps the realm of documentary filmmaking proved more interesting, more exciting, to early audiences than the proto-narratives derived from kabuki. These films were the specialty of the Yoshizawa Company, which had inaugurated the manufacture of movie projectors in 1899. Early "reportage" films of the Boxer Rebellion in China, among other subjects shot by their cameramen, became great successes—shown in the earliest permanent movie houses in Japan (the Kinki-kan, converted from live theater to film in 1900; Denki-kan [1903] became the first theater specifically built for film); it became part of the repertoire of Japanese cinema well into the second decade of the twentieth century. Reportage films mixed with more ordinary life scenes, as well. But it was the outbreak of the Russo-Japanese War in 1904 that led to a boom in Japanese movie making, with the Yoshizawa Company well positioned to document (or even reinvent) this important Japanese excursion onto the world scene. It is no surprise that approximately 80 percent of all films made and released in Japan in 1905 were devoted to the Russo-Japanese War. The Yoshizawa Company profited the most from the popularity of the war itself, while the Yokota Company then entered the filmmaking fray to great success with war and other types of films. After a downturn in film production in 1906, by 1907 these two companies were well positioned to expand.

At the end of 1907, the Yoshizawa Company built a film studio in Tokyo, glass enclosed to accommodate the high light levels filmmaking at the time required. The Yokota Company, meanwhile, began a specialization in shimpa films. These films were derived from shimpa theater, which was part of the "modernization" process of Japanese theater, somewhere, as it were, between kabuki and shingeki—it featured the *onnagata* (female impersonators) of kabuki but relied on more contemporary settings, similar to shingeki. Of course, the continuing influence from the West could also be detected in the production of chase films, typically chase scenes at the climax of shimpa stories, starting in 1908.

However, the largest and most significant shift in Japanese film history, that is to say, in the history of the Japanese film industry, began with the formation of another production company, M. Pathé in 1905. The French firm Pathé was the most significant film producer of the early decade of the movies. Pathé films had a large and successful following in Japan (imported by the Yokota Company). Umeya Shokichi began the company without knowledge or permission of either Pathé or Yokota, adding the "M" to differentiate his company from the French one. His innovations in the industry were twofold: elevation of the exhibition venue (large theaters, uniformed usherettes, relatively high admission prices) and establishment of a near monopoly, a trust, to be held by the major picture-production firms. Modeled on the U.S. Motion Picture Patents Company, Umeya's merger of the four leading production companies (Yoshizawa, Yokota, M. Pathé, and the recently formed production arm of the Fukuhodo theater chain) soon became the Nippon Katsudo Shashin (Japan Cinematograph Company), shortened to Nikkatsu. This was, clearly, the first major film studio in Japan, possessing production, distribution, and exhibition arms to control all phases of its business. Thus, by 1912, Japan had the forerunner of a major studio system even before Hollywood did.

The success of Nikkatsu led to the formation of Tenkatsu (Tennenshoku Katsudo Shashin), whose major innovation at first was the introduction of color film in the short-lived process known as Kinemacolor. Even after color proved too expensive for the Japanese audience to support, Tenkatsu continued the production of black and white films. At this same time, films increased in length with two-, three-, or even four-reel films becoming the norm. This, of course, led to a consequent increase in the number of shots per film and certain experiments with cinematic techniques, including increased use of close-ups and, necessarily, more complex narrative devices and techniques. Still, with the *katsuben* ever present, the Japanese cinema continued on a certain course that not all audiences and critics would find admirable.

The formation of Nikkatsu in 1912, a portent of things to come in the Japanese cinema, was coincident with the death of the Meiji emperor that same year. One would be making too much of a historical coincidence to claim that the most modern and Western of artistic and cultural forms, the cinema, should have reached a certain maturity and stability precisely at the time of the death of the Meiji ruler, who was consonant with Japan's modernization and emergence on the world scene. Nevertheless such is the case. And just as the Taisho era (1912–26) saw Japan as a whole struggling with many of the problems of modernization, Westernization, and urbanization, the same is certainly true of the cinema. While the industry stabilized as a potent commercial medium, especially in the cities, it also expanded. Taikatsu was established in 1920; its avowed goal was to "modernize" the Japanese cinema. American films, especially after World War I, established a hold on world cinema that it would never relinquish. Many Japanese, with a continuing interest in world events, world culture, saw the emerging dominance of Hollywood and chose not to compete with Hollywood in the marketplace but, rather, to make Japanese films the artistic equal of America's. Directors were sent abroad to train, and Hollywood production methods were adopted. Taikatsu hired Tanizaki Junichiro, who would become one of Japan's premiere novelists, as a script writer and American-trained Thomas Kurihara as a director.

Almost as soon as Taikatsu established itself, another player appeared, one who would eventually subsume Taikatsu and forever give Nikkatsu a run for its money: Shochiku Studios. Still among the major studios today, Shochiku was determined from the start to make only the finest quality "Western-style" movies. They built a major studio at Kamata, in Tokyo, hired the best talent they could afford (much of it U.S. trained), and issued what amounted to a manifesto proclaiming their Western-derived artistic goals. They would also set up a training institute for film writers, directors, and cameramen, in recognition of the increasingly professionalized and specialized nature of film production. This was perhaps their most important innovation, beside one other shift: the use of actresses.

The influence of kabuki, shimpa, and other traditional cultural models had led Japanese cinema to the accepted convention of using *onnagata* actors in female roles. With discussions among intellectuals about the artificial and escapist nature of Japanese cinema, and increased demands for realism among the film-going public (who had a clear fondness for Hollywood pictures), the *onnagata* to a large extent, along with the *katsuben,* were particular targets for those decrying the old-fashioned feel of Japanese cinema. While the *katsuben* would retain their influence on the industry for another decade (the film-going public in Japan, as elsewhere, may be said to have a certain "conservative" bent), Shochiku's introduction of actresses caught on. A continued increase in attendance at the movies, both for Japanese and Western films, led the industry to ever-increasing success with its vertically integrated commercial basis. A large handful of movie companies appeared to compete, but Nikkatsu and Shochiku in particular continued with what might be called the routine production of films, particularly kabuki and shimpa-derived stories. By the late 1920s, the industry had coalesced into a handful of studios that began to develop movie stars, along with skilled directors who could work with these stars to find suitable vehicles and formulas that audiences would accept with astonishing regularity.

It is this studio-star-genre system that Japan shares most profoundly with Hollywood, which is, in fact, one of the primary reasons for the Japanese cinema's commercial clout with the domestic audience as well as its lasting artistry. To account for this latter feature, the Japanese industry, paradoxically to some extent, allowed a great deal of experimentation among directors. Though fans coalesced around movie stars, in every way with the same intensity (or more) as movie fans in the United States did with Hollywood's "royalty," the Japanese cinema produced, by the time of World War II, an unmatched array of directorial talent.

The star-director-studio-genre system was to some extent the product of director Makino Shozo and star Onoue Matsunosuke. During the years 1910–19, the two produced dozens and dozens of films, almost entirely costume pictures that featured the magic and trickery for which early films came to be known. Most of the earliest stars, and indeed many well into the 1930s, were associated with *jidai-geki,* period films, especially swashbuckling tales of samurai derring-do. Okochi Denjiro, under the direction of Ito Daisuke at Nikkatsu, starting in the mid-1920s, and Bando Tsumasaburo, under the direction also of Makino Shozo and, later, Makino Masahiro (the oldest son of the pioneering filmmaker), at Makino Shozo's own company, also in the 1920s, set the tone for star appeal and genre-based filmmaking that was a hallmark of Japanese cinema from then on.

Competition to the period films and its big stars was provided by contemporary life films and oftentimes overtly political "tendency" *(keiko)* films. It was in the latter category that critics and intellectuals at the time looked for innovation, though in their own way, *jidai-geki,* though heavily dependent on *katsuben,* pioneered crosscutting, rapid montage, the use of close-ups, and other devices Western critics in later years would come to prize precisely for their "Japaneseness." The industry continued to grow and develop perhaps because multiple audiences had appeared. Alongside the increasing attention paid to cinema by intellectuals (most of them calling for modernization of the cinema, the transformation of cinema into an art—the so-called "Pure Film Movement") came, unfortunately perhaps, increasing censorship codes. The regulation of public gatherings, concern with the impact of cinema on women, children, the working class, all these were exacerbated by the oftentimes overtly leftist tendency films. Because so few Japanese films of the 1920s survive, and because the image of the Japanese industry, even in Japan, was one of a conservative, popular, traditional approach to cinematic technique, one thinks of the 1920s as a kind of dormancy. Outside of the commercial industry, quite the opposite was true, with amateur filmmaking, experimental films, and early documentaries pouring forth. But the industry itself certainly crystallized among a handful of major studios. Even the devastating Kanto earthquake of 1923 barely slowed down the outpouring of films.

The Japanese film industry, which competed reasonably successfully at home with the American cinema, never seemed to have much exportation in mind. Perhaps this is one reason why the coming of sound to the cinema did not have the near-devastating impact it had, for instance, on the well-established, artistically dominant French cinema of the 1920s. While American sound films, subtitled in Japanese, proved extremely popular, there was initially relatively little pressure on the industry to completely convert to sound. There was enough of a split in the audience, whereby homegrown products still commanded a sufficient box office return, to enable sound to be introduced gradually. The first Japanese talkie was not produced until 1931, while as late as 1936, the occasional silent feature was made in Japan. Perhaps the still-prevalent reliance on *katsuben* made the talkie less revolutionary in Japan; or perhaps the reliance on *katsuben* during talking pictures made things a bit too much to bear. The elimination of the *katsuben* (over strong, unionized protests, to be sure) ensured the growth and development of the sound cinema, along with increased attention paid to cinema's narrative capabilities (the latter something well discussed during the 1920s among the Pure Film Movement intellectuals but that would really be achieved only in a mature, sophisticated manner in the mid-1930s).

The Japanese industry, like its American, French, English, and German counterparts, experimented with various sound systems, including sound-on-disc and sound-on-film. And in Japan, as elsewhere, sound-on-film became the preferred mode. The Japanese also needed to experiment with dialogue delivery and style—the influence of kabuki on films of the early years returns in the late 1920s with early partial-sound *jidai-geki*. The declamatory mode of kabuki delivery did not sit well with audiences at all, especially given the tinny nature of the sound itself. It was the influence of radio (introduced in Japan in 1925) and radio dramas that determined the look and feel of sound, so to speak. Because the industry was highly rationalized by the 1930s, capital investment proved little problem, at least once the advantages and necessity of sound was realized, for the studios.

During the transition from silents to semi-silents, and soon to all-talkies, and amidst threatened and actual strikes from *katsuben* (whose jobs they believed were threatened—which, of course, they were), smaller companies.

some subsidiaries of the major ones, and some independent firms arose. Overall there were literally dozens of small companies that mostly came and went in the 1930s. Most of these companies were formed by breakaway directors from the major studios. The vast majority of such firms produced no more than one or two films. They still had to rely on distribution from one of the majors, for the most part, and the contract system, which had top stars, writers, and craftspeople under contract to major studios, also made a new, smaller company's ability to survive quite problematic. One exception to the rule of "here today, and gone tomorrow" was the one new truly major studio to arise in the 1930s: Toho.

Toho was formed by a merger from a small handful of already successful companies. The Photo Chemical Laboratories (P.C.L.), formed in 1929 to do processing work, and which was a full-service studio by the coming of sound, became an important producer of films by 1933. Another producing company that was merged into Toho was the JO Studios, which had, among other things, the rights to the German-produced Agfa film. The third important partner-to-be in Toho was Kobayashi Ichizo, a Kansai real-estate magnate who had the bright idea of putting housing developments alongside the length of a rail line and putting consumer and entertainment districts at either end. This set a pattern, by the way, in Japanese lifestyles then as now. But for purposes of this discussion, perhaps his most important idea was the formation of the all-girls theatrical troupe, the Takarazuka Theater. In 1932 he opened a branch of this theater (which had begun in 1912) in Tokyo in a centrally located part of town (where it still stands). He branched out into purchasing giant theaters and focusing on "family" entertainment. He soon purchased P.C.L. and JO, obtained the rights to show an important talkie newsreel series, and formed Toho out of this conglomerate. A few years later, Toho strengthened its position as an entertainment giant by adding other live theater troupes to its conglomeration. This kind of diversification, while necessary to its financial stability, set a precedent in the Japanese film world that could be counted as one of the major factors for the industry's severe decline in the 1970s.

The studio-star-genre system, which had grabbed its structural hold on the industry by the late 1920s, was the backbone of the Japanese "dream factory" in the 1930s. And Toho, with stars such as Hasegawa Kazuo, Irie Takako, Hara Setsuko, and child-star Takamine Hideko (whose luster would never fade), and directors like Kinugasa Teinosuke, Makino Masahiro, and Inagaki Hiroshi, dominated the industry with economic acumen and aesthetic acuity. Shochiku and Nikkatsu competed as best they could, to decent, if sometimes troubled, success.

In general, it is fair to say that the 1930s in Japanese cinema represent a true "golden age" in terms of sheer quality alongside impressive quantity. A rich tapestry of films and filmmakers appeared, with directorial names like Ozu Yasujiro, Mizoguchi Kenji, Naruse Mikio, Gosho Heinosuke, Yamanaka Sadao, Shimazu Yasujiro, Makino Masahiro, Shimizu Hiroshi, Toyoda Shiro, and dozens of other lesser but extraordinarily talented men leading this artistic renaissance. Japanese films run the gamut from nihilistic samurai films to gentle human comedies, from the depth of melodramatic intensity to raucous comic slapstick, from frothy musicals to portents of the coming war. It was the war, waged on ideological as well as martial fronts, that would cause major shifts in the Japanese film industry. Though the war would lead to the formation of a virtually new and dramatic film genre, the war or combat film, most changes were detrimental, severe, and often tragic.

Japanese forays into China since the time of the Sino-Japanese War were common. By 1931 they became more regular, and by 1937 Japan was essentially at war with China. This was the beginning, too, of more overt and stringent government regulations as to the content of movies. These regulations, introduced first as suggestions, so to speak, became law in 1940. The suggestions against certain kinds of content went part and parcel with the production of overt propaganda films (called *kokusaku-eiga* or "national policy" films). Most important of all, however, was the decision to form three movie-producing companies by merging a number of the smaller concerns into the three dominant ones, Shochiku, Toho, and Nikkatsu. The latter fared worst of all, as the new entity formed out of it and some smaller companies was renamed to Daiei, thus taking away some of Nikkatsu's name recognition and identity.

Japanese military forays into China and Southeast Asia also brought a number of cinematic forays, including production of Japanese films aimed at conquered Asian markets (China, in particular) and coproductions with national industries already extant until 1943. Feature film production overseas was, however, less significant than documentary filmmaking, and the war years represent something of a boon in that genre.

The domestic film industry was not, however, totally nationalized. Box office concerns remained important to these companies that, after all, owned or controlled most of the theaters. This not only allowed but even demanded that more strictly entertainment-oriented films continue to be produced and that careful consideration to content that would please audiences was almost as important as content that would please military censors. Nevertheless, by 1943, the industry was in total decline, with the number of films produced in the waning war years all but insignificant. Similarly, the increased war losses in Japan, including the severe bombing raids on Tokyo and Osaka, made film-producing and film-going low priorities for the Japanese.

The same could not be said for the Occupation years. The years 1945–52 see the gradual rebuilding of the Japanese film industry, the rise of new studios, new directors, stars, and genres, and the solidification of the industry to where by the middle 1950s it surpassed even the glories of the 1930s. From the devastation of 1945, where only twenty-six films were made in Japan, to production levels exceeding five hundred films per year, little more than a decade later, is a record of achievement few industries could boast. At the same time, an influx of Hollywood films into Japan saw the popularity of American cinema rise to the kinds of levels it had in the 1920s. But during the 1950s, the domestic industry more than held its own against America's omnipresence.

The American Occupation authorities oversaw the postwar Japanese film industry with quite as much vigor as the Japanese military authorities had done earlier. Bans on certain kinds of content and propaganda in favor of other issues again characterized the industry. The major studios attempted to continue their hold on the business of production, of course, though labor troubles, democracy movements in Japan, and a slowly rising economy allowed for some greater diversity. A series of devastating strikes struck Toho; Shintoho (or New Toho) was revitalized, old Toho almost ground to a halt, and Shochiku and Daiei emerged as the industry leaders. As in the 1930s, many new companies appeared, mostly to disappear shortly, so that by the early 1950s, Toho, Shochiku, and Daiei again led the industry. Shifts in content, both to appease Occupation authorities and to compete with a huge influx of Hollywood films, appeared, as did the rise of new directors and stars. Within this postwar context we find the flowering of the careers of an equally impressive list of directorial talent as appeared in the 1930s, with the likes of Kurosawa Akira, Ichikawa Kon, Kinoshita Keisuke, Imai Tadashi, and Shindo Kaneto, now working alongside veteran filmmakers like Ozu, Mizoguchi, Naruse, and Toyoda. Yet it really took the departure of the Occupation in 1952 to allow Japanese cinema to flower in ways equal to or greater than the 1930s golden age.

By the early 1950s, Japanese cinema had established a new genre, mostly at Daiei, that would enable it to break out of its shell of producing exclusively for domestic consumption. Though not labeled as such, we can clearly detect a "films for export" genre inaugurated with the famous success of *Rashomon* in 1951. Filmmakers like Kurosawa, Mizoguchi, Kinugasa, and Inagaki produced films with an eye for the European and American market.

Also at this time, the resurrection of the samurai film may be seen, while the melodrama, including the venerable *shomin-geki* (films of lower-middle-class life), *haha-mono* (mother films), and *furusato* (small-town) movies, found new life in postwar circumstances. New genres arose, too. Many were the product of new companies, like Toei, formed in 1951—which made its mark producing lower-budget films such as *yakuza* (gangster) movies and low-budget samurai films—and the resurrection of Nikkatsu in the middle 1950s—which found a niche by specializing in youth movies. Toho, which had, as we've seen, lost a lot of its power early in the decade, regained momentum after 1954, with the prestige pictures of Kurosawa and the less prestigious but hugely successful "monster movies" *(kaiju-eiga),* the best known of which is, of course, *Gojira* (Godzilla). With six large studios churning out movies at record pace, from 1957 to 1961, Japan became the largest film producer in the world.

This rise to prominence was aided by the rise of a new generation of stars who appealed quite clearly to this *apres-guerre* generation. Mifune Toshiro, Nakadai Tatsuya, Ichikawa Raizo, Ishihara Yujiro, Kyo Machiko, Wakao Ayako, and Hibari Misora, alongside veterans like Hasegawa Kazuo, Hara Setsuko, and Takamine Hideko, are only a few among a generation of dynamic actors who lent individuality and vibrancy to the powerful Japanese cinema of the 1950s.

Films and filmmakers of the 1950s, along with a new generation of moviemakers in the 1960s (the so-called Japanese New Wave), remain the best-known, most frequently discussed movies of the Japanese cinema. Thus there is no need to rehearse them here. Perhaps most interesting in surveying this period in Japanese cinema is how rapid and complete its decline would be. While the artistic qualities and international distribution of Japanese cinema did not disappear in the 1960s, the audience did. From 1960 to 1965, movie production would be halved, as was attendance. From glorious heights in 1959, fifteen years later the industry had declined by two-thirds. Sex films (*roman poruno,* or "romantic pornography") came to dominate an industry that had once seen the average Japanese attend movies virtually weekly. By the early 1960s, middle-class audiences, especially women, abandoned the theaters for the home television set. (TV made its impact in Japan as early as 1953; but by 1961 it came to dominate the urban landscape, which led to the immediate, demonstrable decline in movie-going and the almost-immediate dissolution of certain genres that had appealed primarily to women.) By the 1970s, young males, attracted to *yakuza* films and *roman poruno,* were the single largest audience segment. Films began to disappear from small towns, so that today, cities with less than half a million in population are unlikely even to have a single movie theater.

While, in general, the Japanese economic miracle is the largest factor in understanding the decline of Japanese movie making (it brings with it the abandonment of the cinema—by middle-class men who concentrate on the workplace and middle-class women who stay at home raising children, and who made the television set their own—and the moving away from downtown entertainment districts for ever-widening suburbs, etc.), another factor is precisely the stranglehold Japanese studios had on all phases of the industry. In contrast to the American context, where the Paramount consent decree forced the dissolution of production/distribution from exhibition, the Japanese studios continued their hold on their theaters. In addition, diversification into live theater (the Takarazuka, Kabuki-za, etc.), distribution and exhibition of American movies (especially after 1970, with the resurrection of Hollywood cinema and its rise to almost total world dominance), and distribution of films to television and, later, home video allowed the studios to continue to be financially healthy despite the lack of film production.

The mainstream film industry exists today really only as a vestige of its former self. Toei continues to make program-pictures, police thrillers, for instance, while Shochiku had, until 1996, devoted its primary production practices to the seemingly never-ending series *Otoko wa tsurai-yo* (It's Tough to Be a Man, aka Tora-san) to the tune of two entries a year from 1969 on, until the untimely death of the series' star, Atsumi Kiyoshi. Most of the artistically vibrant and internationally successful Japanese films have emerged from more independent production. On the one hand, the rise of film production from other business conglomerates, like department stores or publishing houses, led to policies of massive advertising and quick returns. On the other hand, smaller-budget, independently produced films also appeared that played to niche audiences in Japan and to film festivals in the West. In the former category we might point to the Kadokawa Publishing Company, which spun off a film division devoted to the occasional blockbuster (large-budget, massive advertising campaign) or to genre films, such as horror or youth. Young stars and new directorial talent could be and was developed. In the latter category we could point to the continuing influence and importance of the Art Theater Guild (ATG), which got its start in the 1960s by helping to produce and distribute many of the New Wave films (Oshima Nagisa, Imamura Shohei, Shinoda Masahiro, and Yoshida Yoshishige are the major directors whom the ATG sponsored). In the 1980s, it produced a small number of internationally well-received pictures, including *Kazoku geemu* (The Family

Game, Morita Yoshimitsu). While film production levels have stabilized to the tune of almost three hundred per year, no more than one or two are distributed to overseas markets. The rest may fairly be said to be mere fodder for the videocassette and laser disc pipeline. Once total sales of videocassettes exceeded total box office take in 1987, the trend to video was clear.

Perhaps the most striking example of the shift in Japanese cinema may be seen in strictly business terms. Larger Japanese corporations involved in the production of electronic equipment (including television sets, videocassette players, and laser disc players), such as Sony, Mitsubishi, and JVC, began to invest in film production companies in the 1980s. But none of these film production companies were Japanese. Instead, these giant electronic firms invested in, and in some cases virtually took over, major Hollywood studios (Sony's takeover of Columbia is the most famous). At the same time, because the Japanese government—unlike the British or the French, for instance—has never gotten involved in film production, distribution, or exhibition issues (the quota systems established from time to time in the United Kingdom or other European nations) and has never funded feature films—like the Canadian, German, or Australian industries, for instance—the Japanese studios have been left to their own devices. In their downturn from production in favor of distribution and exhibition, Japanese filmmakers struggled as best they could on either lower budgets or in making large-scale, mass-market blockbusters. The latter could only rarely compete with the Hollywood product; the former had to be content to find a niche audience.

There is one major exception, however, to the relatively dismal picture one could paint of the state of Japanese commercial cinema today. And that is the realm of animation (anime). This is a large and complex issue, too complicated to detail here. A basic outline, however, might point to a steady increase in interest in and production of animation in Japan from the early 1960s, produced first for television. With the decline of the mainstream live-action film, theatrical, feature-length animation began appearing in the late 1970s (though there had been forays into feature length previously; the first full-length animated feature made in Japan was a war propaganda film by Shochiku in 1944). By the early 1980s, there could be found a thriving theatrical, television, and OAV (original animation video—what we would call direct to video) market for anime. Anime's massive popularity in Japan (and certainly more so in the West) is owed almost entirely to home video—cassette and laser disc. A primarily young audience consumes anime movies, TV shows, and OAV serials with a vengeance that quite matches the once-omnivorous audience for live-action movies. And just as Japanese movies made important inroads into popular culture and film in the West starting in the 1950s, so, too, anime maintains an important and influential Japanese cultural presence today.

Lest the picture of Japanese cinema just painted be taken as too dismal, the success of Japanese films at the 1997 Cannes Film Festival, including Imamura Shohei's *Unagi* (The Eel), the increasing international reputation of Takeshi Kitano (aka Beat Takeshi), and a small but vibrant generation of filmmakers who have come of age in the 1990s (e.g., Suo Masayuki) do indicate that not all is lost. Only time will tell if the Japanese cinema can command the critical respect it once held the world over and regain some of its own domestic market—a market that once made the Japanese cinema among the most exciting the world has ever known.

3

China

John A. Lent and Faye Zhengxing

The interest in and importance of studying Chinese cinema may lie in Paul Clark's observation: "What has happened to the newest art in the oldest culture illuminates much about both the nation and the medium." Various studies of the Chinese cinema seem to have reached the consensus that Chinese cinema has never been an independent form of art. Instead, during wars and within campaigns, "film has been simply a political tool in the hands of the national leadership."[1]

The development of Chinese cinema, examined from the perspective of the relationship between the medium and its cultural context, can be divided into periods of Chinese cinema in the early days, during the Anti-Japanese and Civil Wars, after the Communist Party takeover in 1949, in the Cultural Revolution, and during the modernization drive.

Early Chinese Cinema (Beginnings to 1931)

The literal translation of the Chinese characters for film "Dianying" is "electric shadows." This is appropriate, as historical records indicate that about two thousand years ago, the Chinese were fascinated by mobile shadows or images. In the Han dynasty (around 206 B.C.), a necromancer named Li Shaoxi revived the image of one of Emperor Wudi's concubines by inscribing her figure on a transparent stone that was then placed between a silk screen and a burning candle. Chinese shadow plays might have emanated from this early fascination, but, for sure, the "electric shadows" came in from the West.

In 1896, one of the several Lumière cameramen-showmen introduced the medium to Chinese audiences when some French films were presented as a kind of teahouse variety show in Shanghai.[2] Later, more films found their way into Shanghai and Beijing from Great Britain, the United States, Spain, and Japan. Early audiences, foreign or Chinese, watched the "electric shadows" with the same curiosity that they had while enjoying the magician, acrobat, or juggler of fireworks. The first public film was run in conjunction with a variety show in Beijing in 1902.[3] Three years later, Ren Qingtai, the owner of the Fengtai Photo Studio, made the first Chinese film, *Dingjun Mountain,* starring the famous actor Tan Xinpei, all the time explaining that film was nothing but motion pictures and that "[w]e should not let ourselves be intimidated or overwhelmed by the foreign gadget." Ren went on to make other films focusing on Peking opera, such as *The Romance of the Three Kingdoms, The Dream Lovers of Peony Pavilion,* and *The Outlaws of the Marsh;* all were characterized by stunts and actions.

In 1909, Benjamin Brasky, an American Russian, founded the Asia Film Company in Shanghai and shot some short films. The two earliest short feature films there were *A Couple in Trouble* and *Zhuang Zi Tests His Wife.* With the 1921 establishment of several independent film companies and the production of three full-length fiction films (*Yan Ruishen, Swear by God,* and *Ten Sisters*) the same year, the Chinese national film industry was gradually built up. From 1922 to 1926, filmmaking increased rapidly amid an enthusiastic atmosphere where film artists were excited about their chances at artistic exploration and ideological expression.

Leading the way during this period was the Mingxing Film Studio, founded in Shanghai in 1922. Under the leadership of Zheng Zhengqiu and Zhang Shichuan, Mingxing pioneered in the creation of the commercial film industry and was the first studio to incorporate concepts of the May Fourth "New Culture Movement," which called for a mingling of Western and Chinese traditional cultures. Mingxing produced more than twenty-two films during its fifteen-year life.[4]

Most films then addressed social concerns such as societal values, feudal ethics, war, history, and love.[5] Confucian ideals, such as filial piety, politeness, and respect for elders, were played up.

A popular genre of early films was farce-comedy. Based on the daily lives of the common people and influenced by Western farce-comedians, such as Buster Keaton and Charles Chaplin, these comedies "highlighted antic behaviors, ambivalent mentalities and eccentric personalities that amused the audience."[6] Usually these comic films carried moral lessons based on the premise that the good will be rewarded and the evil punished. Some of them, such as *A Dream of Pure Void,* displayed martial arts and nonearthly beings.[7] In 1927, a few companies started shooting costume films based on sources such as classical novels, folktales, or traditional operas. Films made in 1928–29 started featuring adventure based on newspaper serials, and their derivative, the always popular picture books (or comics).[8] Artistically, the early films were also very much influenced by the spoken drama *(huaju),* since most filmmakers were engaged in both forms of art. It was during this silent film period that the artistic styles and schools of Chinese cinema were substantially shaped.

In terms of business, however, the film industry was undercapitalized and overambitious. Yet, a visitor to Peking in 1919 described film business as "immensely popular and there was an average daily attendance of three thousand at the half dozen picture palaces established in Peking."[9] Though 164 film companies came into being between 1921 and the mid-1930s, fewer than one-third (53) produced any films that entire time, mainly because of the foreign competition.[10] In 1929, for instance, fewer than 50 Chinese films were made compared with 450 that were imported, 90 percent of which came from the United States.

During the days of silent movies, the audience depended on a narrator who interpreted the English titles on the screen. Accordingly, audience taste evolved into a mixture of exotic Western with traditional Chinese. For example, *Sister Flowers* (1933), made at the Mingxing Film Studio, was a blend of Western technology with a Chinese "mandarin duck and butterfly" (old-fashioned romance) story. This type of story was dismissed by the May Fourth Movement as vulgar.[11]

Cinema During the Wars (1931–1949)

The Japanese invasion of China in 1931 and the bombing of Shanghai in 1932 marked a turning point in Chinese cinema. The Chinese film industry incurred enormous losses because of the wars, including the destruction of some film studios. In 1932, the Chinese Communist Party, fully aware of the political function of the medium, established its first film organization as part of its anti-Japanese front. With great efforts, the Chinese film industry survived these early years of war and even saw the birth in 1932 of a new studio, the Yihua Film Company, to compete with three other major ones, namely the Mingxing, Lianhua, and Tianyi.

The national crisis of war gave rise to the Left-Wing Film Movement, which featured narratives drawn more from reality or true stories of the common people than from history, swordplay, or gods and spirits; for example, *Raging Torrents* (1933) stressed the class struggle between the poor and the rich. The most outstanding movies made during the early years of the Anti-Japanese War were *Spring Silkworms* by Mingxing and *The Goddess* and *The Highway* by Lianhua in 1934; all three exuberant films represented the highest level of art in Chinese silent film.[12]

One of the consequences of the war was the introduction of sound by Mingxing Film Studio in the mid-1930s, apparently for propaganda purposes to help in the mobilization against the Japanese. The late conversion and even later adoption by most studios were attributed to a lack of economic and technological resources, as well as the fact that with China's many languages the silent film unified the country under one "language," although not spoken.[13] Music accompanied the silents from the beginning; an orchestra played during *Dingjun Mountain* in 1905, and later, records were used as background music. When sound arrived, films were in various Chinese languages, in addition to Mandarin.

Full-scale war against Japanese aggression started in 1937, further strengthening the relationship between the society and its filmmaking. Aware of the impact of film, the Nationalist government in Chongqing and some progressive filmmakers in Shanghai and Hong Kong made efforts to use the medium either as a means of propaganda or a weapon to fight the Japanese. In the late 1930s, filmmaking in the foreign concessions in Shanghai continued on and off.[14]

Chinese films made in the late 1940s fully reflected the nation's lingering concerns about the Anti-Japanese War, in the process bonding audiences and film artists. Even the Guomindang regime's attempt to control filmmaking did not effectively undermine this stronger connection. The best-known film of the late 1940s, the melodrama *The Spring River Flows East,* hailed as China's *Gone with the Wind,* featured a family that had gone through the Anti-Japanese War. A tragedy to the fullest extent, *The Spring River Flows East* described the chaotic social context and human psychology during and after the war, and the gamut of emotions experienced by the whole nation. This successful formula attracted an audience of three-quarters of a million in Shanghai within three months.[15]

However, after this film became the smash hit of 1948, the Nationalist government tightened censorship, forcing one studio, Kunlun, to substitute a faked script of *Crows and Sparrows.* The authentic version related the story of an anti-Nationalist army landlord. Actually, the movie was not completed until after the Communist takeover in 1949.[16] That year, some left-wing artists found their way into the Hong Kong film industry while others moved to the Communist-held regions in the north, and the first National Congress of Writers and Artists was held in Beijing, marking another turning point in

Chinese film history.[17] The Chinese film industry, from then on, was under the rule of the Chinese Communist Party.

Cinema after the Communist Takeover (1949–1966)

The establishment of the People's Republic of China in 1949 signified fundamental changes in the filmmaking industry—in its production, distribution, exhibition, art, and audiences. Most noticeable was the change of vanguard of filmmakers, with the considerable number of artists who had been adhering to the "progressive film tradition" in the 1930s taking the lead. As a result, writers and directors such as Xia Yan and Cai Chusheng and actors such as Bai Yang, Zhao Dan, and Shi Hui had to adjust their filmic attitude and behavior; up to the mid-1950s, they had to make the transition in ideology from Shanghai to Yanan.

The filmmakers who reached Yanan, the Communist headquarters at the time of the Anti-Japanese War, became part of the Yanan Film Team under the General Political Department of the Eighth Route Army.[18] The Yanan Film Team was organized around two major points made in a speech by Mao Zedong at the 1942 Yanan Forum on Literature and Art: Literature and art should serve political purposes; art should seek to widen its audiences, and literature and art should raise their own and their audience's standards. This ideology was first implemented in Changchun, where advanced film facilities existed. In the spring of 1949, the new film industry expanded to include Beijing and Shanghai; at the same time, the Propaganda Department, the party organ for culture, established the Central Film Management Bureau, henceforth the medium's highest authority.

For a while, two film streams in terms of ownership and ideology existed—Communist and entrepreneurial, the latter primarily the Shanghai Film Studio, which was still privately owned. But, by 1953, the Communist Party absorbed the Shanghai Film Studio into a state-owned and controlled national system that it had put into place. Film monitoring and distribution systems were established in 1950. The film guidance committee, under the Ministry of Culture, was made up of thirty-two members, charged with enhancing ideological and artistic standards through examination of completed films, distribution figures, and film criticism.[19]

The new distribution network was designed to supply all nationalized cinemas in the country. As the central distribution agency purchased films at a rate based on their length more than their artistic quality, the practice actually cultivated an indifference to art and, overall, weakened the industry. A major distribution achievement pertained to the more than two thousand film projection teams scattered throughout the country by 1955, meaning that the goal to have one team for every county had been met.[20]

Communist efforts to reshape films themselves started with the campaign in 1951 against "bourgeois intellectual attitudes," expressed by the Kunlun Studio film *The Life of Wu Xun.* Started by Mao Zedong and aimed at Shanghai film circles in particular, this was the first major campaign of criticism in literature and art after 1949 and marked the triumph of the Yanan tradition over that of Shanghai.

With the Communist takeover, the market for foreign films also changed. Previously, American films occupied two-thirds to three-quarters of the Chinese film market, but in September 1949, a campaign to eliminate "poisonous American and British films" was mounted.[21] In Shanghai, for instance, twenty-three films were confiscated in 1950, because the censors deemed them wholly reactionary. Some Hollywood films were criticized for their bad influence on young people who had been involved in antisocial activities.[22] The reduction of Western films, however, resulted in diminished audiences, and to fill the gaps, the government imported films from the Soviet Union and other Socialist bloc countries. By mid-1952, more than 180 dubbed films from these Socialist countries had attained an audience totaling three hundred million.[23]

At the same time, Mao's talk at Yanan became the guideline for the new subject matter and style of Socialist China's film art. *Bridge,* released in 1949, marked the beginning of this political orientation with its remarkable feature of a plain plot and characterization. As this movie displayed foreign techniques, the Yanan group called for combining Communist ideology with Western techniques to produce China's new film style. Following *Bridge,* others of this style came into being, such as *Daughters of China, Boundless Light, White-Coated Fighter, Spring Rays, Inner Mongolia,* and *Shangrao Concentration Camp.* To avoid making political mistakes, some scriptwriters and directors had to emphasize the educational function over the artistic.

From 1956 onward, film audiences mushroomed, necessitating the building of new film studios not only in big cities but also in remote minority regions such as Inner Mongolia and Xinjiang Uighur Autonomous Region. In 1957 the audience size reached 2.05 billion, an almost fourfold increase over that of the previous year. Though the rural audience was increased, the city dwellers still dominated Chinese cinemas. Also in the late 1950s, additional filmmakers were needed to make Chinese Socialist films. More and more, they were recruited from a film school opened in 1952; the film school was attached to the Beijing Film Studio. With the assistance of Soviet directors, this school provided students with courses in directing, acting, cinematography, and production management.

A new artistic rubric, "the combination of revolutionary realism and revolutionary romanticism," was set forth by the cultural bureaucrats and Yanan artists. The spur for this was Mao's conventional phrase "Let a hundred flowers bloom, let a hundred schools of thought contend," issued in 1956 and used to expand the range of films and to encourage debate and criticism of his government. But in the summer of 1957, the party launched an "Anti-Rightist Campaign," which labeled those outspoken intellectuals "rightists." Criticized for their candid opinions against the Mao regime, some of them were subjected to harsh physical labor or exiled for a long period. In film circles, artist Lu Ban was accused of "attacking the party" in his film *Before the New Director Arrives,* while film expert Zhong Dianfei was condemned for his attitude toward the party's orientation to serving workers, peasants, and soldiers.[24]

During the Great Leap Forward Movement, a campaign started in 1958 to feverishly speed up China's economy, the film industry was challenged to develop more studios, to make more films, and to send its filmmakers to rural areas for reformation of their world outlook. One hundred and eighty films were made in 1958–59 to meet this quota, but they were poor in quality, most produced in a so-called documentary style. Coupled with general economic collapse, the Great Leap efforts resulted in cutbacks in many areas, including film production, by the beginning of 1960.[25]

In essence the initial three national campaigns—the Hundred Flowers, Anti-Rightist, and Great Leap Forward—hindered China's film development. Thanks to Premier Zhou Enlai's moderate speech on cultural policy in June 1961, the Shanghai legacy in Chinese film was somewhat restored, bringing in its wake a thriving situation. Xie Jin, a well-known director at the Shanghai Film Studio, made two inspiring films, *Girl Basketball Player No. 5* and *The Red Detachment of Women.* At the same time, historical dramas such as *Lin Zexu, Song Jingshi,* and *Naval Battle of 1894* appeared in theaters.

To meet the audience's need for lighter fare after these somber times, filmmakers created more comedies, among the popular ones being *What's Eating You* and *Big Li, Little Li, and Old Li.* Characters in these light films were said to be "neither resolute standard-bearers for a Socialist millennium nor die-hard opponents of the new order, but somewhere in the middle."[26] These films emphasizing so-called "middle characters" combined education with entertainment. A typical example of the "middle characters" film was *Li Shuangshuang,* which described a model commune member, imperfect but good enough to educate her husband and to work selflessly for the People's Commune. During this relatively booming, light fare period, musical films were also created, including adaptations of traditional opera such as *The Dream of the Red Chamber, Third Sister Liu, and Ashima.* These musical films struck a chord with minorities and were often set in minority communities.

A mainstay genre of the period was the military movie, which made up nearly one-half of all productions. Some were made at the Changchun and Shanghai film studios, but most military films emanated from the Beijing-based August First Film Studio, an arm of the People's Liberation Army. This studio accounted for 112 such movies from its establishment in 1955 until 1984. Although expensive to produce, military films fit well within the Chinese context, according to Junhao Hong, because of the permeation of Chinese history with continuous wars, the long tradition of hero admiration, the strong influence of Soviet filmmaking, and the ideological function movies are expected to play under communism.[27] Also, the majority of China's first film personnel after 1949 came from the revolutionary army.[28]

Cinema During the Cultural Revolution (1966–1978)

By the mid-1960s, the tension between the two political and ideological fronts in film circles—the Yanan-derived view of art and artists and the May Fourth attitude in Shanghai—had come to a head. In 1964, the Yanan group criticized and rejected the films *Early Spring February* and *The Lin Family Shop,* made by the May Fourth filmmakers. The latter directors were represented by Xia Yan, accused of peddling a "bourgeois" rather than "proletarian" view of the Chinese past. Two years later, at a national Forum on Army Literature and Art Work, Jiang Qing, Mao's wife, and her supporters declared that there was a "dictatorship of a black line in literature and art."[29] The journal controlled by Jiang Qing, *The Literary Gazette,* said that Xia worked against the party literary and art policy in three areas—the work/peasant/soldier orientation, party leadership, and the assessment of the 1930s' progressive film tradition. Yang Hansheng's *Jiangnan in the North,* which presents a story of land reform and collectivization in a village in the early 1950s, was also criticized for its humanistic concerns of May Fourth artists. Such attacks by the more powerful Yanan group forced Shanghai filmmakers such as Xie Jin, whose own *Stage Sisters* was to come under fire less than a year later, to self-criticize and to express a pro-Yanan attitude.

The ideological confrontation between the two streams proceeded to become more political and even personal. Jiang Qing decided to avenge herself on those who had known her as a Shanghai film actress, sending goons to ransack the homes of Zhao Dan and Zheng Junli, a well-known actor and a director, for materials about her past.[30] Guided by the slogan of "reorganizing the ranks" and encouraged by the Gang of Four, of which Jiang Qing was the spark plug, the worker-soldier propaganda teams started investigations of artists' credentials in the film studios. At Changchun Film Studio, one-third of the 290 middle-level and above party, managerial, artistic, and technical personnel were judged guilty of committing political mistakes. The Shanghai Film Bureau, controlled by Jiang Qing's supporters, conducted a self- investigation of 104 out of 108 high-level cadres.[31]

Mass expulsion was another means or reorganizing the film industry; for example, about one-half of the artistic personnel at the former Tianma and Haiyan studios in Shanghai were sent to factories to receive education through labor.[32] More than 500 employees of the Changchun Film Studio were sent to the countryside for the same reform. At Xian Film Studio, about a third of the cadres were confined or criticized, and the Peal River Film Studio lost 95 percent of its key figures.[33] Threats came in various forms, including loss of party membership, withdrawal of grain ration tickets, or long-term living in the rural areas. To further control the industry, the Gang of Four sent a film group to the Shanghai Film Bureau to issue direct instructions to the studio. They also set up a "review team" at Changchun to examine scripts.[34]

In 1966, feature filmmaking literally came to a halt. When fiction filmmaking was resumed four years later, the only production permitted was of the eight "model performances," eight filmed Peking opera and ballet stories. Filmmakers of the "model performances" had to follow Mao's Yanan guideline that "literature and art can and ought to be on a higher plane, more intense, more concentrated, more typical, nearer the ideal, and therefore more universal than everyday life." Their films, therefore, were all made to emphasize the characters, exposition, acting, and film techniques of the operatic style. In 1974 the feature films *Fiery Years* and *Sparkling Red Star* were produced, but as Clark pointed out, they were "peopled with stock characters. The central heroes themselves took on a somewhat homogenized quality, an impression enhanced by the relentless concentration on them by the camera."[35] The overall impact of these drastic filmmaking changes can be gleaned from the Film Bureau, which reported the fixed capital of the seven major film studios had increased by 184 percent between 1966 and 1976, but the number of films decreased.

With the fall of the Gang of Four marking the end of the Cultural Revolution in 1976, Chinese cinema started its new journey. Three types of movies were released to fill the gap in production left by the upheaval: pre–Cultural Revolution movies, foreign movies from various countries, and some classics made before 1949. Another sign of the rehabilitation of the "progressive film legacy" was the change in the film personnel in the 1970s. Those who actively served the Gang of the Four gradually lost their favorable positions at the Shanghai Film Studio.[36]

The Cultural Revolution further proved that the political context has always decided the vicissitudes of Chinese cinema. It was only after this destructive and aberrant period of disorder that China opened its door to the rest of the world in the late 1970s, and Chinese cinema, accordingly, started its new phase of development.

Cinema During Modernization

From the mid-1970s, film production took on a new life, settling in at 125 to 150 features yearly, mainly from the 16 studios permitted to make commercial movies. As in the past, most have come out of the major studios of Beijing, Changchun, and Shanghai.

In the first post-Cultural Revolution decade, a number of directors, Teng Wenji, Wu Yigong, Zheng Dongtian, Zhang Nuanxin, Xie Fei, and Yang Yianjin, among them, elevated film from the nadir it had reached and set the stage for the group that became known as the Fifth Generation. Prominent until now, Fifth Generation directors created a sensation in China and brought international attention and fame to themselves and their works. Their films differed from traditional and contemporary Chinese cinema in "terms of the selection and representation of topics, the application of cinematic styles and narrative devices and the reflection of ideology."[37] Distinguishing characteristics of the directors were that they had endured long periods working in factories and the countryside, that they tried to absorb all of Western culture, and that they possessed a rebellious spirit, all of which affected their filmmaking. Some of the major works of the Fifth Generation included Zhang Junzhao's *One and Eight* and *The Arc Light;* Chen Kaige's *Yellow Earth, Temptress Moon, Big Parade, King of the Children,* and *Life on a String;* Tian Zhuangzhuang's *On the Hunting Ground, Horse Thief,* and *Story-teller;* Zhang Yimou's *Red Sorghum, Raise the Red Lantern, Ju Dou, To Live,* and *Shanghai Triad;* and Wu Zinui's *Secret Decree, The Last Day of Winter,* and *Borderline Between Male and Female.* The most outstanding were *Yellow*

Earth, winner of the 1985 British Film Institute award, and *Red Sorghum,* the 1989 Golden Bear top film prize; both *Ju Dou* and *Raise the Red Lantern* were Oscar nominees in 1991 and 1992.

Despite the successes of the Fifth Generation, Chinese cinema faced serious challenges by the mid-1990s. In 1996, the number of films produced in China dropped from 150 to 110, and most of these lost money; some did not even make it to the theaters.[38] Blamed as the culprits were the augmented competition resulting from the more than three thousand television stations, which made more than fifteen thousand hours of drama, and the open market policy adopted by the government.

Numerous concerns have been expressed about a market-driven film industry. Veteran director Sang Hu believes allowing foreign films into China is a benefit for the industry, as more money is available, but a loss for Chinese film tradition. He laments the deterioration of public taste as the Chinese have become enamored with Hollywood films with "no meaning."[39] The chief editor of *Film Art,* Wang Renyin, while bemoaning the "lowest" stage to which Chinese cinema has plummeted, says that the open market system has totally changed everything. She relates ways the government and filmmakers cope; for example, the state has set down regulations on how to better produce and distribute films and to organize budgets. The government has instituted policies declaring that profits from screenings of U.S. movies be plowed into domestic production, that two-thirds of all screening time in theaters be for Chinese movies made in China, and that private firms be allowed to invest in Chinese films.[40] However, as with all other aspects of filmmaking, the authorities decide who the private financiers are and the amount they can invest. Cui Junyan, secretary of the China Film Association and chief editor of *World Screen,* thinks the problems Chinese cinema faces relative to an open market boil down to finding a balance (a middle ground he says) between government versus private investors, artistic versus commercial goals, and domestic production versus foreign importation.[41] To foremost film historian Li Shaobai, the problem of surviving with the Hollywood onslaught is reminiscent of an earlier time when Shanghai cinema was "full of Hollywood" and when the industry had to find its place in the economy. "Today, the film market is like the 1920s," Li says, "when more than 100 companies existed but within five years, four majors did 70–80 percent of the films." He explains, "Today, there are not very many companies but they get money from everywhere. Maybe they will get it from fewer, but bigger, companies later on."[42]

Award-winning director Xie Fei, while agreeing that the importation of U.S. films "kills" local productions, points to other dilemmas: (1) the film industry has not learned to spin its features off to television and video; (2) since 1994, the government has tightened its film censorship policies; (3) making art films and finding audiences for them has become increasingly difficult; and (4) the government continues to emphasize and support mainstream films that serve its propaganda purposes. To survive the hard times, some filmmakers have accepted the government subsidies that go with producing mainstream propaganda films; most directors have cashed in on the television boom, making dramas for the small screen. In other cases, directors such as Zhang Yimou, Chen Kaige, and Xie Fei make films that are appealing to Western audiences and solicit funding elsewhere—from Hong Kong and Taiwan, much to the government's displeasure.[43]

On the horizon and in the subterranean are the Sixth Generation and underground filmmakers. Sixth Generation directors have seen their film projects delayed for years and subsequently censored because of subject matter. Their works are criticized for being narrowly focused, immature, and not truly representative of Chinese culture. The criticism stems partly from their socialization and training. Xie Fei explained that Fourth and Fifth Generation directors were educated in a "university of life" during the Cultural Revolution, living and learning from farmers and other working-class people. On the other hand, Sixth Generation filmmakers have spent much of their lives in schools and solely in the cities.[44] Underground directing is illegal, although some individuals, such as Zhang Yuan *(Shanghai Bastards),* succeeded in getting work out.

The long history of Chinese film has been replete with struggles for independence, from the influences of Hollywood, foreign military invaders, domestic civil war contenders, Communist mobilization campaigns, and, now, global commercialization. In each instance, the medium has survived, though altered, and all indications point to the continuance of Chinese cinema as the government and the industry seek ways to contend with the most recent challenges.

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4

India

Radha Subramanyam

Cinema in India is immensely varied in terms of the languages, forms, stars, systems of production, and audiences it encompasses. It is the largest film industry in the world. It is the ninth largest industry within the country and offers employment to over 2.25 million people. An average of over 800 films have been produced per year in the 1980s and 1990s, and in the same years this number has been closer to 950. The average attendance in cinema halls in the country in the early 1980s was 3,676 million,[1] and vast numbers of people within and beyond the nation state watch videotapes of Indian films.

It is tempting to study Indian cinema as a "Third World" cinema, given its notable marginalization in Western contexts. Such analysis however, with its inescapable connotations of dependency, even inferiority, recenters the West in the domain of culture, fails to see cultural productions within their own economic contexts, elides cultural flows outside mainstream Western televisual contexts, and assumes "internationalism" to necessarily involve the West. In the specific case of Indian cinema, such analysis would fail to account for the enormity of the film industry in India, the diversity of the productions themselves, and the prominent position of this cinema within and outside India. Further, such an approach would sway between homogenization of the Third World and the homogenization of a national "essence."

This chapter presents an overview of the history of the "Indian Film Industry," emphasizing the economic aspects of the industry, but also touching on cultural and other considerations that relate in varying ways to the industrial. It emphasizes the variety of regional industries that comprise filmmaking in the country, as well as the ever-changing relationship of indigenous capital, state monies, and international interests with cinema in India. Further, I examine the links and divergences between popular filmmaking, "art" cinema, and the Indian "middle" cinema that brings together these two realms. This work also outlines some of the important international considerations with regard to the film industry in India, including the vast differences between the export of Indian popular film and Indian art cinema in international circuits.

Within the larger context of the political economy of India, this project underscores (1) the specific historiographical problems that arise in working on the Indian film industry, highlighted by the lack of systematic data; (2) the contradictions inherent in being, on the one hand, the largest film industry in the world and an ever-growing one and, on the other, presenting ongoing uncertainty for producers; (3) the relationship of new technologies (video and satellite television) with Indian film within and beyond India's national boundaries; and (4) a particular case that extends beyond national borders that exemplifies these problems—the disjunctions between available data on exports and the visibility of Indian film in different parts of the world.

In this article I shall initially introduce some of the issues and concepts important to an understanding of cinema in India and then move into a detailed historical account of one hundred years of Indian film industry that will lead us back to the present and to Indian cinema beyond Indian borders.

There is no "Indian cinema." Different discursive arenas have used this term in a variety of ways, each differently from the other. Within certain sections of India, both academic and popular,[2] the term is sometimes synonymous with Hindi cinema, production of which is centered in Bombay. "Indian cinema" here, therefore, refers to what is also known as "Bombay cinema" or "Bollywood."

Despite disclaimers to the contrary, such universalization, or rather nationalization, is also ultimately true of some academic writing, including that located in Western institutions.[3] Within Western art house circles, and in Western academic film circles until the 1980s, the term often evoked the neorealist representations of directors like Satyajit Ray, though these images coexisted with vaguer dismissals of the singing-dancing "over the top" melodramas of popular cinema.

Hindi cinema is the one cinema that is viewed in most parts of the country. However, since the 1940s, South Indian producers, especially those based in Madras, have made films for the "All India" market in Hindi, in addition to films in South Indian languages for the southern states. The production of films from the four southern states (Tamil Nadu, Andhra Pradesh, Karnataka, and Kerala) has outgrown that of the Hindi cinema and since 1971 accounts for over 60 percent of the total production. Further, some of the biggest hits in the "Hindi Belt" in the 1990s are South Indian films remade or dubbed in Hindi.[4] While this kind of crossover is not new, and while over the years Hindi hits have been remade in various South Indian languages as well, dubbing of films across the nation, including Indian versions of everything from *Jurassic Park* to *Jumanji*, has never been as popular as it is today.

It is difficult to ascertain the total investment in the film industry not just because of lack of systematic data gathering by governmental or industrial organizations but also because much of the money is "black money" (that which is unaccounted for to evade taxes and is being laundered through the film industry). The rate of success for films is fairly limited, with many hundred producers competing for markets. Less than 15 percent of all films that are released break even or make a profit.[5]

In addition to commercial films characterized by a capitalist mode of production, there are films that are "New Wave," "alternative," or "parallel." This cinema got widespread attention as a movement within India from the 1960s, though earlier filmmakers in Bengal, like Satyajit Ray, were forerunners to it. Ray's films also significantly attracted the attention of Western art circles. In recent years, however, many New Wave filmmakers have moved to television, or to the realm of middle cinema that does not define itself in such stark contrast to popular film. Increasingly, many alternative filmmakers are financed by multinational corporations involved in satellite television, like Rupert Murdoch's Star TV.

The history of Indian cinema, like that of any capital intensive, large-scale industry, is intertwined with the most significant political economic changes within India, as well as with transnational shifts. These forces include colonialism, especially the film policies of the colonial government, the postcolonial polity and economy, and contemporary multinational corporations. Indigenous capital is fundamental to the economics of the film industry in India, and it intersects in varying ways with each of the larger structures. To elucidate these connections, I give a detailed historical account of the economic developments in Indian cinemas, ranging from the colonial period to the present.

Brian Shoesmith argues that the film industry in India has gone through three distinct stages in its growth. He writes that the first, from 1913 to 1924, can be termed the "cottage industry" period. This period is marked by a lack of capital for investment in infrastructure, problems in film technique, absence of identifiable stars, and an unstable mode of production. The second period is the studio era that extends from the mid-1920s to the mid-1940s. The third stage, termed by Shoesmith "the star as commodity" phase, is characterized among other things by complete reliance upon the star at the box office, abundant finance, yet ultimately as much instability as the early period.[6] Early problems and uncertainties persist to the present day, despite the enormous growth of cinema in India. I add to Shoesmith's typology two other categories: (1) the "alternate" realm of government and community support for film and (2) the "contemporary" one of increasing interrelationships between broadcast, cable, and satellite entities and the film industry.

The consensus among critics is that for several years since the "birth" of cinema in India, the growth of the industry was "unhealthy." This means that theater construction was slow, that foreign imports dominated the market, and that the industry was marked by uncertainty, lacking the infrastructure of an organized industry.

Early entrepreneurs in India made shorts and topicals, and several films were imported from the West as well. Films were initially shown in theaters with concerts, plays, and magic shows; however, outdoor shows in tents or the open air soon became popular.[7] These shows, or "bioscopes," were the Indian equivalent of nickelodeons. Entrepreneurs like J. F. Madan and Abdulally Esoofally, who started as "tent showmen," later became movie magnates, much like the presence of nickelodeon owners in Hollywood. Esoofally even held screenings in other Asian countries, like Singapore, Sumatra, Java (later part of Indonesia), and Burma.[8]

From 1907 on there was a move toward permanent theaters, even picture palaces. Madan started a theater chain that expanded steadily through the second decade of the twentieth century. By 1914, Esoofally too had settled down with a permanent theater. The primary interest of the entrepreneurs, however, lay in distribution and exhibition rather than production. France was the leading source for films at this time, but films were also imported from the United States, Great Britain, Italy, Denmark, and Germany.[9]

Film audiences in this period tended to be urban, Westernized classes. However, starting with the productions of D. G. Phalke from 1913 onward, film started to reach a wider audience than the colonials and Westernized Indians. Late in the second decade of the twentieth century and through the 1920s, several production companies grew that produced films for Indian audiences.

Phalke wrote several articles on cinema in the Marathi papers *Kesari* and *Navyug,* which were committed to freedom from British rule.[10] Phalke's writings evidence the desire to create a cinematic tradition distinct from the West, but also, significantly, to establish a film as an *industry* in India. To quote from him:

> I had decided to establish the industry in India. Fortunately I was successful while several others failed. . . . I decided to establish it on a permanent footing to provide employment for hundreds of worker-artists like me. I was determined . . . to defend this industry even in the absence of any financial support, in the

> firm conviction that the Indian people would get an occasion to see Indian images on the screen and people abroad would get a true picture of India.[11]

As Shoesmith has argued, what is significant in the anticolonial context is the insistence on the creation of an indigenous and economically self-sufficient *industry* for *cultural* independence (italics mine). Yet the problem of access to capital that Phalke began to face has persisted in the history of the industry because of a lack of interest on the part of banks or the state.[12] Such problems started occurring soon after Phalke began his endeavors—with the onset of World War I, Phalke's financier backed out on payments because of war panic.[13]

At the same time, even during World War I, Phalke's popular success encouraged "many a tent showman, many a cinematographer of topicals, many a backer, to take a fling at the feature film."[14] The finances from speculations and black markets that accompanied wartime shortages found their way into the film industry,[15] a practice that was to prove even more crucial during World War II—it is important to note the significant role black money has played in the Indian film industry from an early period.

Phalke's hopes for an organized industry with significant infrastructure was not conceivable. The lack of interest from "modern" sources of finance led him to mortgage personal assets. Many of the problems that hounded early entrepreneurs like Phalke endure today—shortage of finance, little technical training, uncertain market conditions, lack of support from banks and the state, and so on. At the same time, Phalke's films were a success not only in India but also in Burma, Singapore, East Africa, and England. Likewise, Indian cinema that followed Phalke grew to be extremely visible in countries across the globe, even though it did not have access to institutionalized finance—such contradictions mark much of the history of film in India.

In the years that followed, thousands of people tried their hand at the industry. Film companies were formed in cities all across the country, but only a few survived. Imported films, however, still dominated the market, and though vertically integrated companies like Madan Theaters produced some films, they could get Hollywood films more cheaply than Indian ones, as Hollywood had already recovered costs in the home market. By 1923, the year of J. F. Madan's death, there were about 150 movie theaters in India, a third of which belonged to Madan Theaters.[16] The Madan empire was vertically integrated in India, Burma, and Ceylon.

Production steadily increased in the silent era through the 1920s. It was through this decade that the "Indian film industry became established along commercial and industrial lines" rather than being characterized by "eccentric individual commitment and marginalization."[17] Film companies included the Indo-British film company in Calcutta that Dhiren Ganguly was associated with, Phalke's Hindustan Film Company, and the first studio in Madras, R. Nataraja Mudaliar's India Film Company. Yet film companies were plagued by uncertainty.

Several practices relating to the film industry set in place during colonial rule continue to date. For example, in July 1896 a wide range of ticket prices were introduced, a practice that remains important in Indian exhibition today.[18] Censorship mechanisms likewise came into being in the colonial era. The Cinematograph Act of 1918 put in place mechanisms to both regulate the content of films as well as the character of cinema premises. Entertainment tax began to be levied in India in 1922, initially in the state of Bengal, under the Bengal Amusement Act of 1922. This practice was soon adopted in other provinces, though not in a uniform way.[19] Censorship and taxation remain the two predominant state interventions in the film industry.

The 1920s also saw the first international coproductions involving Indian filmmakers; *The Light of Asia* (1925), produced by Himanshu Rai, directed by Frank Osten, was an Indo-German coproduction with German equipment and technical support and significant Indian capital. Rai would later, with Devika Rani, found Bombay Talkies, one of the most influential Indian Studios. The 1920s also saw the emergence of India's first women directors.[20] The actress Fatma Begum produced, wrote, and directed films through her company, Victoria Fatma Film Corporation, started in 1925. In those years, actresses turned to directing to free themselves of the demands of (male) producers, directors, and financiers and also in the hope of earning some money for their old age.[21] The first public limited company, General Pictures Corporation, was set up in Madras in 1925.[22] Most production companies were closely knit and had their own laboratories.[23]

There was more demand for Indian films than imported films in India, but Indian films were more expensive and difficult to get. In 1927 the Indian Cinematograph Committee, under the leadership of T. Rangachariar, was appointed to examine the organization of the film industry in India, to examine censorship mechanisms, and to consider whether it was desirable to encourage the exhibition of "empire" films and the production and exhibition of Indian films. The Rangachariar Report, as it is now known, was completed in 1928 and followed by a minute of dissent from the three British members of the committee.

The committee unanimously rejected any preference for imperial films and approved of censorship (though it proposed a few modifications to the 1918 Cinematograph Act). However, it was divided along racial lines on recommendations to encourage the production of Indian films through state aid or through a quota system; it was with regard to these proposals that the European members signed a minute of dissent.

As Shoesmith points out, while the legal, commerce, and industry departments of the colonial government considered the recommendations of the committee until 1932, they convinced the government of India that the recommendations would be "difficult to implement,"[24] that government regulations would need rewriting, and that the proposals were expensive. The government saw the "recommendations as enshrining a set of privileges for a social group they had little sympathy with . . . [and] the combination of cost factors and political ramifications . . . determined that the ICC recommendations were never implemented."[25]

The government's decisions were not acceptable to the film industry, which sent delegations to the government to discuss the report. The government argued that by endorsing the recommendation of the committee to increase the tariff on imported exposed film stock, the government was protecting the industry and incorporating it into the industrial mainstream by giving it concessions like other industries.[26] But the industry was not satisfied and continued, in the next two decades, to lobby for the implementation of aspects of the report. The film enquiry committee (headed by S. K. Patil) appointed in 1951, after independence, was in some ways a result of these efforts.

At the time of the Rangachariar Report, that is, in 1927–28, 85 percent of the films exhibited were imported. Well-to-do Indians were reluctant to invest capital in the film industry, as its future was uncertain.[27] Further, following the crash on Wall Street and the coming of sound, many silent film companies collapsed. The increased investment in sound equipment, studios, and even lighting (for indoor studios—much shooting until this point had been outdoors), as well as the uncertain or restricted markets, meant many companies did not survive. However, small operations were not the only enterprises to be affected by the coming of sound. Madan Theaters, the giant enterprise that owned huge numbers of theaters in India, had been negotiating a sale with Universal. It exhibited the first "talkie" to be seen in India—Universal's *Melody of Love* in 1929. However, with the onset of the Depression, the deal with Universal could not go through. Further, as an exhibitor of huge numbers of imported films, Madan was profoundly affected by the Depression. It began to sell off all its theaters, and though it held on to its production interests for a few years, the company never recovered.

The coming of sound, however, proved to be a boon to the industry as a whole, in production, exhibition, even film exports. B. V. Dharap, historian of Indian cinema, writes:

> A struggling film industry was rejuvenated. . . . The entire silent film production of 21 years was exceeded in just a decade. . . . The spurt in production provided a powerful impetus to cinema construction. Within eight years the theaters multiplied five times. . . . The ratio of screening time in the silent era was now reversed with Indian talkies consuming more than 90 per cent of the screening time. Talkies . . . also helped to build up foreign markets for Indian films.[28]

The coming of sound enabled the Indian film industry to develop what have become its distinct formal characteristics in song-dance, music, even specificities of dialogue. While providing a screen from Hollywood and attracting Indian audiences, these characteristics helped Indian cinema secure its audiences in other parts of the world.

At the same time, claims regarding the demise of Hollywood in India in the 1930s are premature; the process was more gradual and not as total as many historians make it out to be.[29] Certainly in the 1920s, but even through the 1930s, the majority of the features distributed in India were from the United States. While in 1928, 117 Indian features and 598 foreign features passed through the four censor boards of Bombay, Calcutta, Madras, and Lahore (now in Pakistan), in 1935 the number of Indian features was up to 247 and foreign features down to 397, yet imported films continued to be in the majority.[30]

While the coming of sound led to the dominance of Hindi-language films of the Indian film market in terms of number of films produced (as Hindi is spoken by large numbers of people and, therefore, had a huge market), it also secured the position of different "regional" industries—especially those based in Madras. In 1931, for example, sound films were produced in at least four different languages—while the first Indian talkie, *Alam Ara,* was in Hindi/Urdu, *Jamai Sasthi* (Bengali), *Kalidas* (Tamil), and *Bhaktha Prahlada* (Telugu) were produced in the same year. Films were produced in several other languages in coming years. Yet, many of the earliest sound productions, including early Tamil talkies, emerged from companies based in Bombay, Calcutta, and Poona. However, Madras-based producers soon secured their place in the southern film market. Thus, while in 1931 Bombay's share in film production was about 64 percent, that of Calcutta 32 percent, and of Madras only 4 percent, by the end of the 1930s, Madras accounted for about 20 percent of film production.[31] Southern film production, much of which emerges from Madras, is extremely important today.

Unlike *The Jazz Singer, Alam Ara,* the first Indian sound feature, was a complete talkie. Ardeshir Irani not only produced and directed it but also looked after cinematography and sound recording.[32] The songs of *Alam Ara* in particular were a big hit. Irani was the first Indian producer to make films in Tamil, Telugu, Gujarati, Marathi, and other languages. He also made films in Persian that did well in Iran, and films in Burmese as well. In other words, even after the emergence of distinct regional markets, there were no rigid barriers because of language for producers, and crossovers continued to exist. Further, some Indian sound films not only were exported abroad but also were made in "foreign" languages.

While Irani has asserted the importance of Indian self-reliance in film production and has claimed that the first talkie was produced without the help of any foreign technicians,[33] "foreigners," including Hollywood production personnel, were very much part of the introduction of sound to India. Wilford E. Deming, executive manager of the U.S.-based Radio Installation Company, came to Bombay in 1930 to install the sound recording machine at Ardeshir Irani's Imperial Studio. He was one of the foreigners involved in the production of the first talkie in India. He was then present in Calcutta for the making of the first sound picture there.[34] Deming's writings on his experiences in India not only communicate the presence of foreigners within the Indian film industry[35] but also reveal much about what the industrial organization of the Indian film industry would look like to someone accustomed to the Hollywood mode of production.

> There are few individual companies adequately financed. Rather there will exist a company foundation, and after a script is prepared, finances for this particular production will be obtained, and the picture and company property pledged as security. Often individual directors will obtain financial assistance. and by renting the use of some studio property and equipment, produce a picture. . . . There are very few contract players, officials or technicians. Unfortunately, the industry is not sufficiently stable to carry a large overhead over an extended period of infinite conditions. . . . In almost all cases, artists are hired on a picture basis.[36]

A more Hollywood-like system of production was attempted in the 1930s, at least partially because of the advice of Hollywood executives,[37] and the coming of sound was followed by the establishment of the studio system in India.[38] Brian Shoesmith brings together much of the scholarship on the studio system in India to point out that the coming of sound

> created conditions that favored an integrated, securely capitalized film industry . . . [while] India was undergoing major changes in its social and political composition . . . creating a massive pool of unemployed who drifted to the burgeoning urban areas and . . . constituted a new audience for Indian-produced

> films which required a more systematic mode of production if the demand was to be met. . . . [T]he studio system in India arose out of a particular conjunction of events that reflect a particular stage in the development of capital formation in India.[39]

Shoesmith goes on to argue that while the *organization* of studios in the 1930s has little in common with the "studio" of Phalke in the second decade of the twentieth century and the 1920s, the *financial* practices of the "Phalke era" were something the studios of the 1930s reacted to but ultimately could not overcome. Phalke turned for financing to "traditional" Indian money markets, using the film as collateral.[40] Further, no attention was paid to distribution and exhibition. Shoesmith sees the emergence of studios as a deliberate reaction to such a situation and as an attempt by filmmakers to have much more control over their enterprises,[41] yet not a completely successful one.

Shoesmith writes that at the center of the move toward establishing studios was the desire to link the film industry to modern capital and to provide it with social and cultural legitimacy. In India indigenous capitalist forms such as moneylenders existed along with "introduced" forms such as banks. These "introduced" institutional structures were not willing to finance the film industry because of the perceived high risks and lack of collateral, as well as the tendency to support "nation building" industries rather than "entertainment." Thus the various attempts to "modernize" the industry were not completely successful.[42]

Large changes in the Indian economy during and after World War II, however, led to the replacement of the studio system by other forms of industrial organization that persist in many ways today. Right before the war, India ranked third in the world in film production, producing about 9 percent of the world's output.[43] Even at the eve of war, however, a majority of films distributed in India were imported; 220 of the 355 features distributed, or 62 percent, were American, 22 percent Indian, and 16 percent British.[44] An average of 250 American films were imported per year in the late 1930s, though India was one of the few markets where Hollywood mainly faced competition from the "native" industry; no German, Russian, Italian, or French films were exhibited.[45]

During the war, though production of Indian films fell, receipts from exhibition grew rapidly. According to the 1951 *Report of the Film Enquiry Committee,* "The greater purchasing power of all classes of the population particularly the poorer and lower-middle classes and the expansion of employment both in the army and in industry, brought about an increase in the number of persons who could afford regular visits to the cinema. The earnings of the exhibition side of the industry rose very fast in consequence. . . . The war ended at a time when the industry was enjoying a boom."[46]

During World War II, the distribution of raw film was limited. Therefore, annual production was curtailed during the war, going from about 170 productions a year to about 100. This limited competition meant producers and distributors received good returns on almost every film. Controls were lifted by 1946, and within three months of decontrol, over one hundred new producers, many of whom had made huge profits in other industries during the war, entered the industry. By 1947, 283 films were produced.[47] Because of the various controls and shortages during wartime, black money had increased greatly and found its way easily into an industry that had no standardized practices.[48]

Much black money was thus channeled into the industry, especially by acquiring stars from studios for huge payments, of which only a small portion was acknowledged in the contracts. Thus the system of freelance artists, as opposed to studio employees, came to be put in place—actors, music directors, play back singers, writers, and others were paid astronomical amounts. Films began to have much bigger budgets in this era.

Competition among producers increased dramatically, marking the rise of the "independent producer" much remarked upon in histories of Indian cinema. Many independents made just one or two films; others with a major hit moved into the ranks of established producers. Several extant film companies closed down, and many studios divested themselves of overhead and started renting out their lots to individual producers. Some studios, however, did continue through the 1950s.

There are huge difficulties in gathering data, especially economic data, with regard to film in India. The difficulties can be traced to the obvious economic motivations of a system that leaves hidden much production, distribution, and exhibition revenue, to nationalist impulses in not paying taxes to the colonial government, as well as to the lack of state interest in film as an industry. Figures obtained are not reliable and fluctuate greatly depending on the source. Further, estimation of capital investment is extremely difficult because of the wide variations between films produced in different languages.[49]

From about 1948, film companies based in Madras became serious players in the Hindi market. After running successful enterprises in magazine publishing and film distribution, S. S. Vasan moved into film production. He ran the vertically integrated Gemini Studios. His 1948 production, *Chandralekha,* his debut directorial venture, was the first Madras production to be distributed for the All India market.[50] This practice of southern-based firms producing for the national market still exists today. By the end of the 1950s, Madras surpassed Bombay as the largest producer of films, coinciding with increased productions in Tamil, Telugu, Kannada, and Malayalam;[51] Madras produces films in several southern languages and in Hindi.

Post-Independence Industrial Organization

As many have pointed out, the post–World War II period, and the past fifty years of film history in the new nation of India,[52] is marked by the rise of the independent producer, many of whose lives in the industry were fleeting. These producers produce a majority of the films that emerge from the industry. The 1980 *Report of the Working Group on National Film Policy* identifies several types of producers in addition to this "fly-by-night" or "ad-hoc" producer. These types include established producers who grew up with the studio system and who operate through well-established organizations, directors who produce their own films, producers of films that are at some level alternative, and cooperatives of filmmakers, technicians, or artists who produce films through collaborative ventures. At times a fly-by-night operator moves into an established position within the industry though a major hit.[53]

In the early years of cinema in India, only foreign films went through distributors; Indian producers dealt with exhibitors directly. However, as the number of theaters increased, professional distributors emerged.[54] The role of the distributor has gained increasing importance, and today distributors serve as financiers of films and advisers on specific markets. Films are financed by presale of territories to distributors, and distributors in turn can have long-term contracts with exhibitors. During and after World War II in particular, the increase in the number of producers without a similar increase in the number of films or theaters because of the constraints of war led to the "shifting of the center of gravity to the distributors and exhibitors."[55]

The country is divided into six territories for distribution, and export markets constitute the seventh territory. The six territories are further divided into eleven circuits. This division is particularly true for Hindi films; other major film industries, such as Tamil cinema, have slightly different territorial divisions. Distribution companies are not national but territorial; even vertically integrated production companies do not distribute films nationwide because of costs involved. Distributors finance films, or producers borrow from financiers at high rates of interest.

The *Report of the Working Group on National Film Policy* outlines the several different distribution systems that have evolved over the years. Among these is the "own distribution" system, in which major established producers distribute their own films all over India or at least in the important territories. This category also includes those who started as distributors and then became producers. The "plain distribution" system means that distributors charge a fixed commission from producers and do not make an advanced payment to the producer. In the "commission distribution" system, the distributor advances money to the producer either during the production process or when prints are being made. This amount as well as a fixed rate of commission is taken from the box office collections. Under the "minimum guarantee" system, distributors pay a nonrefundable, fixed amount to producers during production. This too, along with a commission, is taken from the collections. In the "outright lease" system, distributors pay a certain amount for specific territories in return for proceeds from those territories.[56]

Different regions in the country follow different systems of distribution. Distributors buy the rights of a film for a territory or circuit. For some films, especially big-budget Hindi films, distributors follow the minimum guarantee system and pay producers a certain amount before the release of prints. The share of the producer, distributor, and exhibitor depends on the bargaining power of each.

In the realm of exhibition, theaters are divided into different classes on the basis of location and the amenities they offer. There is further diversity in exhibition practices. The theater owner can run the theater and rent prints for either a fixed amount or on a percentage basis for a certain period. Theater owners can rent out exhibition time to a third party on a contract basis, where the third party could even be the distributor. The theater owner could rent out the theater to someone else to run, who in turn could use any of the above methods for film exhibition. Finally, theaters can either be temporary (running for only a part of the year) or touring. In both these cases, old prints are rented on a fixed hire basis for a specific period from distributors.[57]

The role of the state in cinema in India is particularly visible in the realm of exhibition. While all levels of the film industry are affected by censorship, exhibitors are particularly affected by taxation. Exhibitors are taxed in several different ways. They have to pay a license fee to open a new theater, or make an annual payment for renewal of the license. They pay a house tax and water tax to local governmental bodies every six months or every year, and a show tax as well.[58] Exhibitors also have to pay 1 percent of net collections as a "news reel hire charge" for the "educational" documentaries, made by the Films Division of India, that exhibitors are required to show before each feature.[59]

The largest tax on exhibition is the entertainment tax, and it varies from state to state. Entertainment tax today is often higher than the admission price itself. Until 1973 this tax tended to be less than admission price, but since then it has been greater. Tax is on average 150 percent of the admission price.[60] The practice of levying taxes on various "luxuries," including entertainment and gambling, dates from the colonial period. Although entertainment tax covers a variety of domains like circuses, horse racing, *nautanki* (folk performances), and so on, taxes on film exhibition are by far the largest proportion of this tax, often being around 98 percent of the total.[61]

At the same time, the black money that characterizes the production of films is also present at the level of exhibition, as there are many ways in which taxes are evaded. These problems are more significant in touring cinemas and cinemas in smaller towns. There is a also a huge black market in ticket sales, especially for a "hit" film. Cinema prices are "film-specific, theater-specific and class-specific,"[62] writes Indian economist Ashok Mittal. Until recently, ticket prices did not vary over the entire run of a film, except for a permanent change in some cases. However, since the release of Sooraj Barjatya's *Hum Aapke Hain Kaun..!* in 1994, during which tickets were sold initially at a much higher price, the practice of having high ticket prices in the early weeks of a much in demand film has become more commonplace.

Ashok Mittal has ascertained that cinema ticket prices in India have grown at a much slower rate than other commodities. Between 1960 and 1989 the admission price increased by about 79 percent, while the increase in the wholesale price index was 500 percent. Further, (posttax) ticket price has changed much more frequently than pretax price, which means entertainment tax has grown at a faster rate than the admission price.[63] However, the occupancy ratio of movie theaters is low, though this varies greatly from film to film and with different stages in the exhibition of a single film. Lower-price classes have a much higher occupancy ratio than higher price ones.[64]

With regard to film financing, banks and other such institutions do not finance films in India, because of the high risk of the enterprise. Distributors form one major source of finance for mainstream films through presale of territories. Money lenders and private financiers who charge high rates of interest are another source of film finance. Many producers as well as financiers are attracted to film as a way of "laundering" black money. The state run National Film Development Corporation has financed a selection of alternative films, as have several state governments.

Despite its size and despite the consistently large output of films, the Indian film industry faces several ongoing problems. As I have discussed, institutional financing is difficult to obtain because of the perceived risk. Yet this leads to an emphasis on procurement of financing and to lack of planning of the production process, which in turn makes the film a high risk. The star system is such that stars work on several films at a time, so shooting dates become extremely complicated, often delaying the completion of a film and swelling the budget. Films in Hindi tend to have the largest budgets because of the large markets they have access to, though Tamil and Telugu films also tend to be high budget.

Much of the budget is connected to star salaries, a huge portion of which remains undisclosed. This aspect of the star system was consolidated in the 1940s. While stars are rich, workers remain poor; they often are not even paid the entire portion of the low salaries. There is "no collective bargaining, no fixed minimum wages, no guaranteed social security benefits."[65] Even the studios of the 1930s, despite their assertions and the rhetoric of "family," did not treat their workers well.[66] At the same time, unions are not completely powerless; in June 1997, for example, the Tamil film industry ground to a halt in response to a strike called by the Film Employees Federation of South India over a dispute with director Balu Mahendra during the shooting of the Tamil film *Raman Abdullah*.[67]

Only 10 percent of films in India are said to make substantial profits.[68] At the same time, these figures cannot be accepted at face value, for as economists Oommen and Joseph have pointed out, such an impression is created by the industry itself—complete financial details are never disclosed. Further, even if a film fails at the box office, "the producer can still gain by purifying 'black' money through inflating the cost on a variety of items."[69] All of this has obvious historiographical implications and problems for historians of the Indian film industry.

The lack of state recognition of film as a manufacturing industry (dating from practices of the colonial government) means that film does not benefit from the grants, subsidies, reduced rates of electricity tariffs, and institutional loans other industries benefit from.[70] Further, several films are never released or sold. Taxation remains an ongoing area of discontent. Several writers on Indian cinema have commented on the extremely low per capita availability of seats to films in India. There is further ongoing dependence on Kodak for color negative and positive stock.

For a few years in the middle to late 1980s, competition from new technologies such as video and the increasing commercialization of television led to a crisis in the Indian film industry.[71] The "entire business of video cassettes has a production, distribution and exhibition network which is independent of the films network,"[72] and only a fraction of the profits from these enterprises makes it to the film industry. The hesitancy of the film industry to be significantly involved in video distribution has exacerbated this problem. While it is often only the middle class who can purchase VCRs, public exhibition through video parlors is an important aspect of exhibition. Video piracy in particular affected box office collections, including in the export market. However, the industry survived that economic crisis after a series of blockbusters brought audiences back to movie theaters.

The arrival of satellite and cable television in the early 1990s and the second boom in television programming in India has also led to some reorganization in the film industry. In addition to film personalities participating increasingly in all aspects of television, "made for TV" films have begun to be visible. Alternative filmmakers are also getting financing from these companies—media conglomerates are a new source of film finance for various realms of filmmaking. There is also increasing horizontal integration with companies being involved in film, television as well as other enterprises. Polygram, for example, produces films in addition to being a significant player in the recording industry. The Amitabh Bacchan Corporation has its own music label (Big B), produces films, and is into events management.

Alternative Institutions and Cinemas

In addition to commercial Indian films characterized by an "indigenous" capitalist mode of production, there are films that are New Wave, alternative, or parallel, many of which are state supported. Further, there have been a large number of films that are international coproductions. There are also alternate sites for exhibition, including film festivals, a limited number of art houses, and television.

The New Wave cinema received widespread attention as a movement within India from the 1960s, though earlier filmmakers were forerunners to it. Many of these films also significantly attracted the attention of Western art circles. This cinema was in some senses government sponsored, though there were also a significant number of filmmakers whose financing came from private (e.g., Sai Paranjype's films) to community sources (Benegal for *Manthan,* 1977); various governmental institutions set up especially in the 1960s and 1970s were vital for the survival of this cinema. In recent years, however, many New Wave filmmakers have moved to television, or to the realm of middle cinema that does not define itself in stark contrast to popular film. Further, as I argued above, cable and satellite television is becoming an important source of financing as well as distribution for alternative films.

The government of India established the Film Institute of India at Pune in 1960–61; it was expanded into the Film and Television Institute of India

(FTII) in 1971. The government also financed alternative film through the Film Finance Corporation (which has merged with the Industry Motion Picture Export Corporation to be known as the National Film Development Corporation [NFDC]), which was set up in 1960. The NFDC went on to produce films on its own, many of which were recognized at various international film festivals.[73] The NFDC was based on the British model for a national film corporation and has been criticized for its (neocolonial) embrace of the norms of European "high art."[74] In addition to the NFDC, at least eight states, Andhra Pradesh, Karnataka, Kerala, Maharashtra, Orissa, Punjab, Tamil Nadu, and Uttar Pradesh, have film corporations, while others have programs that support film.[75]

Television is one of the factors that led to the demise of the New Wave cinema in the traditional sense. From 1984, Doordarshan, India's nationalized television, began to accept sponsored programming and to permit privately made shows to be shown on state television.[76] With the increasing prominence of television and video in the mid-1980s, film financing reached a low ebb. Film personalities, however, came up with different ways for surviving the onslaught of TV. Many popular television programs were to be film based. This is even more so in the current age of cable and satellite TV. Further, mainstream film personalities have extensively moved directly into television.

Alternative filmmakers also got into television production in huge numbers. In addition to more guaranteed employment, the large captive audience[77] was also an attraction for alternative filmmakers. The inability to reach a large audience also led to the development of a middle cinema in the hope of gaining more access to distribution and exhibition.

Following the "liberalization" of the Indian economy in the 1990s, the NFDC became increasingly involved in television, running the Metro Channel for Doordarshan, India's nationalized television. The Metro Channel is a successful financial venture and comprises mainly commercial programming, though the NFDC argues that it has used this opportunity to "promote its own productions/co-productions extensively."[78]

There is a long history of international coproductions that India has participated in, including several films coproduced by the NFDC. The earliest coproductions include the silent films undertaken by Himanshu Rai in the 1920s, with Emelka and UFA in Germany (*Light of Asia,* 1925; *Shiraz,* 1927; and *A Throw of Dice,* 1929), and Rai's talkie, *Karma* (1933), with IBP in England. Since then there have been several coproductions with the Soviet Union (e.g., *Sohni Mahiwal,* 1984) and coproductions with Channel 4 of Britain and with various European television and film companies. Mira Nair's *Salaam Bombay . . . !* was coproduced by the NFDC, Channel 4 of Britain, and Cadrage of France; Shekhar Kapur's *Bandit Queen* was supported by Channel 4; and so on.

Indian film has received significant attention at film festivals around the world, especially since the screening of Satyajit Ray's *Pather Panchali* at Cannes. However, even before Ray, Indian films were exhibited at festivals abroad (e.g., the 1936 films *Amar Jyoti* and *Sant Tukaram* were shown at the Venice Film Festival). Today, the alternative cinema can be seen in major festivals abroad almost every year, while popular cinema garners little such interest. At the same time, it is still fairly rare for even the alternative cinema to get significant distribution in Western circles, though some films like *Bandit Queen* are exceptions.

Conclusion

The export of Indian popular cinema is exemplary of the contradictions of the industry as a whole.[79] Mainstream Indian films have huge audiences in many parts of Africa, Asia, the Middle East, Europe, and North America. By the beginning of the 1980s, Indian films were shown in over one hundred countries. The popularity of Indian films is by no means limited to the Indian diaspora.

At the same time, while exports have risen steadily over the past few decades, the figures available on film export by no means tell the complete story of the distribution and exhibition of films abroad. In 1987, revenue from exports in India was less than 2 percent of box office collections. The advent of video technology has complicated this scenario even more; although there are historiographical problems in studying Indian film in India, studying Indian film abroad and in the age of new technologies is even more difficult. The role of the state in the realm of export has been as problematic as in other arenas; governmental policy has certainly prevented the marketing of Indian films abroad from being as successful as it could be.

The Indian film industry has moved from a "Gandhian" cottage industry with rhetorical emphasis on *swadeshi* (self-reliance) to the contemporary embrace of multinational corporations. Yet it has never been a purely "national" cinema; cultural and economic connections with international forces have been an integral part of the history of the industry for the past hundred years, from endeavors like coproductions to connections to "underworld" capital based abroad (e.g., based in Dubai in the Middle East today).[80] There have been vertically integrated studios in India, and today there are certain horizontal connections with other entertainment industries, though this trend is by no means as widespread as it is in other parts of the world, for example, the United States. Cinema in India has primarily been capitalist, though the nature of capital has altered with changes in the Indian political economy. That is not to say the state has been absent from dealings in the film world; taxation has been an ongoing point of contention with the state, and censorship pressures on filmmakers vary with their political connections. The state supported cinema is also marked by ambivalence and has brought forth both strong criticisms of state policies as well as emulations of Western models of high art. Likewise, after the loss of significant revenues in the age of "liberalization," the NFDC has become financially strong through its involvement in television yet is playing the same game as all media corporations.

Even before the contemporary interest in "globalization," Indian cinema has been notably international. International cultural influences, technical personnel, film festivals, and political currents have all been a part of Indian cinema, as have extensive audiences all over the world. However, direct partnerships with international corporations in film production are only recently surfacing again. While Hollywood productions did dominate the Indian market for quite a while, Indian popular film survived what had been the death knell of film industries around the world. It even managed to carve significant non-Indian audiences for itself despite being significantly "national" or even regional.

The Indian alternative cinema has been tied to international trends since its inception, with early art filmmakers getting their film education through studies of international art house classics and through being a part of international trends in political thought. Likewise this cinema has been well recognized at metropolitan film festivals, while not being widely distributed abroad.

To a greater or lesser extent, all national film histories have an international history. Ex-colonies are often bounded by specific kinds of internationalism—those marked by dependency and indigence. However, Indian film is not a typical example of such conditions—being the largest film industry in the world, maintaining a commanding presence in markets within and outside India, and not being vanquished by Hollywood. In the so-called Third World, it is a cultural superpower with even imperialist aspects, for example, in African film markets.[81] Textually, it can simultaneously be regional, national, and an international hybrid. However, colonialism has left specific institutional legacies to film in India—varying from the structure of censorship to some of the leanings of the National Film Development Corporation and of alternative filmmakers. There is further a complicated relationship with international capital. Indian film does not end with the advent of new technologies but proceeds strongly into them.

Notes

1. Source, UNESCO Year Books, as culled together by M. A. Oommen and K. V. Joseph, *Economics of Indian Cinema* (New Delhi: Oxford and IBH Publishing Company, 1991), 17. The attendance in cinema halls in the United States in the same period was less than a third of this figure—1,053 million. This is despite the United States having 16,032 cinema halls at that time, when India had only 6,991.
2. This is particularly true of the English language press of Delhi and Bombay.
3. Sumita S. Chakravarty, *National Identity in Indian Popular Cinema, 1947–1987* (Austin: University of Texas Press, 1993); Vijay Mishra, "Towards a Theoretical Critique of Indian Cinema," *Screen* 26.3–4 (1985); Rosie Thomas, "Indian Cinema: Pleasures and Popularity," *Screen* 26.3–4 (1985).
4. Mani Rathnam, whose Tamil productions that have been re-released in Hindi include *Nayakan* in 1995, *Bombay* in 1994, and *Roja* in 1992, is one filmmaker who has undertaken this with success. Others include Shankar *(Kadhalan/Humse Hai Muqqabla)* and Priyadarshan *(Siraichalai/Sazaa-e-Kaalapani).*
5. For the classic political economy of this industry, see Manjunath Pendakur, "India," in *The Asian Film Industry*, ed. John Lent (Austin: University of Texas Press, 1990). See also Pendakur, *Indian Cinema: Industry, Ideology, and Consciousness* (Chicago: Lakeview Press, Forthcoming); "Market Structure and State Patronage in Karnataka's Feature Film Industry," in *Arts Patronage in India: Methods, Movies, and Markets,* ed. Joan Erdman (New Delhi: Manohar, 1992); and "India's National Film Policy: Shifting Currents in the 1990s," in *Film Policy: International, National, and Regional Perspectives,* ed. Albert Moran (New York: Routledge, 1996).
6. Brian Shoesmith, "From Monopoly to Commodity: The Bombay Studios in the 1930s," in *History on/and/in Film: Selected Papers from the 3rd Australian History and Film Conference,* ed. Tom O'Regan and Brian Shoesmith (Perth: History and Film Association of Australia [WA], 1987), 69.
7. Eric Barnouw and S. Krishnaswamy, *Indian Film,* 2nd ed. (New York: Oxford University Press, 1980), 7.
8. Barnouw and Krishnaswamy, 8.
9. Barnouw and Krishnaswamy, 10.
10. Dhundiraj Phalke, "Dossier: Swadeshi Moving Pictures," trans. Narmada S. Shahane, *Continuum: An Australian Journal of the Media* 2.1 (1988/89). See also Brian Shoesmith, "Swadeshi Cinema: Cinema, Politics, and Culture: The Writings of D. G. Phalke," *Continuum: An Australian Journal of the Media* 2.1 (1988/89).

11. Phalke, 59.
12. Shoesmith, "Swadeshi Cinema," 46–47.
13. Phalke, 57–60.
14. Barnouw and Krishnaswamy, 23.
15. Barnouw and Krishnaswamy, 32.
16. Barnouw and Krishnaswamy, 298.
17. Brian Shoesmith, "The Problem of Film: A Reassessment of the Significance of the Indian Cinematograph Committee, 1927–28," *Continuum: An Australian Journal of the Media* 2.1 (1988/89): 75.
18. Barnouw and Krishnaswamy, 5.
19. Ashok Mittal, *Cinema Industry in India: Pricing and Taxation* (New Delhi: Indus Publishing Company, 1995), 124.
20. See Radha Subramanyam, "Compromising Positions: Class, Caste, and Gender in Indian Women's Films" (Ph.D. diss., Northwestern University, 1996).
21. Partha Chatterjee, "Over the Years," *Cinemaya: The Asian Film Quarterly* 25–26 (1994–95).
22. *Festival News*, 11 January 1995, 3.
23. Barnouw and Krishnaswamy, 49.
24. Barnouw and Krishnaswamy, 85.
25. Barnouw and Krishnaswamy, 85.
26. Barnouw and Krishnaswamy, 86.
27. Mittal, 23.
28. B. V. Dharap, *Indian Films 1983* (Pune: National Film Archive of India, 1985), 1.
29. Such historians include Dharap as well as Barnouw and Krishnaswamy, 68–69.
30. K. S. Hirlekar, "Facts and Figures," *Cinema* 14.2 (1939).
31. Oommen and Joseph, 23.
32. Ardeshir Irani, "Reminiscences from the First Indian Sound Film," *50 Years of Indian Talkies, IFSON*, Special Issue, August 1981, 4.
33. Irani, 5.
34. Deming wrote about his experiences in *American Cinematographer*, March 1932, reprinted as "Talking Pictures in India," *50 Years of Indian Talkies, IFSON*, Special Issue (1981): 7–11.
35. A well-known foreigner in Indian cinema was, of course, the German Franz Osten, who directed several films for Bombay Talkies.
36. Deming, 10.
37. One example is the South Asian representative of the Universal Picture Company, George Mooser, who gave evidence to the Indian Cinematograph Committee. See Shoesmith, "From Monopoly to Commodity," 71.
38. Major studios include Imperial Film Company (Bombay), Bombay Talkies (Bombay), Wadia Movietone (Bombay), Prabhat Film Company (Poona), Madras United Artists Corporation (Madras), Vauhini Pictures (Madras), Modern Theaters (Salem), and New Theaters (Calcutta). Studios often came to be associated with specific types of films.
39. Shoesmith, "From Monopoly to Commodity," 68.

40. The interest rates involved in such transactions tended to be extremely high.
41. Shoesmith, "From Monopoly to Commodity," 70.
42. Shoesmith, "From Monopoly to Commodity," 71. For Shoesmith, the privileged position of the studio system in Indian film history is tied to the organizations, publications, and other efforts of the studios in this era, as these documents are the major source of material for this period. Various heads of studios were closely tied to the production process itself, and many also played an active role in industry politics and worked toward garnering cultural legitimation for the industry.
43. Government of India, *Report of the Film Enquiry Committee* (New Delhi: Ministry of Information and Broadcasting, 1951), 12.
44. *Variety,* 15 March 1939.
45. *New York Times,* Sunday, 10 September 1939.
46. Government of India, *Report of the Film Enquiry Committee,* 12–13.
47. Government of India, *Report of the Film Enquiry Committee,* 13.
48. Oommen and Joseph, 25.
49. Oommen and Joseph, 58.
50. Randor Guy wrote the following about this Tamil film: "[It] created film history and made Gemini and Vasan a household name around the nation when the Hindi remake took India by storm." See Guy, "S. S. Vasan: Cecil B. DeMille of India," in *70 years of Indian Cinema, 1913–1983,* ed. T. M. Ramachandran (A CINEMA India-International Publication: Bombay, 1985), 164.
51. Oommen and Joseph, 27.
52. The partition of the country into India and Pakistan, which comprised two territories, West and East Pakistan (now Bangladesh), had a devastating effect on the Bengali film industry in particular, which, because of various state policies, virtually lost a huge section of its market. See Barnouw and Krishnaswamy, 139, 185–87. For a consideration of this incident in the larger context of export policy in India, see Manjunath Pendakur and Radha Subramanyam, "Indian Cinema Beyond National Borders," in *New Directions in Global Television: Peripheral Visions,* ed. John Sinclair, Elizabeth Jacka, and Stuart Cunningham (London: Oxford University Press, 1996), 72.
53. Government of India, *Report of the Working Group on National Film Policy* (New Delhi: Ministry of Information and Broadcasting, 1980), 16–17. See also Mittal, 51–52.
54. Government of India, *Report of the Working Group on National Film Policy,* 22.
55. Oommen and Joseph, 25.
56. Government of India, *Report of the Working Group on National Film Policy,* 22–23.
57. Mittal, 56–57.
58. Mittal, 66.
59. Mittal, 66–67.
60. Mittal, 185.
61. Mittal, 135–38.
62. Mittal, 86. There are several different classes of seats in a given theater, a practice that began with the earliest screenings in India.

63. Mittal, 72–73.
64. Mittal, 188.
65. Mohan Gandhiraman, president of the Film Employees Federation of South India, emphasized this in a 1985 interview with Manjunath Pendakur. See Pendakur, "India," 232–33.
66. Shoesmith, "From Monopoly to Commodity," 73.
67. Ayyappa Prasad, "Tamil Film Industry Grinds to a Halt," *Screen* (1997): 1.
68. Government of India, *Report of Working Group on National Film Policy*, 17.
69. Oommen and Joseph, 136.
70. Mittal, 6, 59.
71. See Manjunath Pendakur, "New Cultural Technologies and the Fading Glitter of Indian Cinema," *Quarterly Review of Film and Video* 11, special issue (1989).
72. Mittal, 34.
73. The international recognition of government supported filmmaking is evident as early as *Bhuvan Shome* (Mrinal Sen, Hindi, 1969), which was backed by the FFC and is considered to be a landmark of the alternative film movement in India; *Bhuvan Shome* won a gold medal at the Venice Film Festival. The international honors won by NFDC (or FFC) supported films have been extremely varied and include the Golden Camera Award at Cannes and an Oscar nomination for *Salaam Bombay* (Mira Nair, Hindi, 1988); the Jury's Special Mention at Cannes and the Charlie Chaplin Award at Edinburgh for *Piravi* (Shaji N. Karun, Malayalam, 1988, The Birth); the UNESCO Award for Best Film on Human Rights for *Bhavni Bhavai* (Gujarati, Ketan Mehta, 1980, A Folk Tale); the Grand Prize at the Mannheim International Film Festival for *Maya Miriga* (Oriya, Nirad N. Mahapatra, 1984, The Mirage); the Fipresci Award at the Mannheim International Film Festival for *Phaniyamma* (Kannada, Prema Karanth, 1982); the award for Best Feature Film at the Hawaii International Film Festival for *Mirch Masala* (Hindi, Ketan Mehta, 1986, Spices); the Gold Medal for Direction and the Ecumenical Award at the Locarno Film Festival for *Ardh Satya* (Hindi, Govind Nihalani, 1983, Half Truth); the Ecumenical Award at the Locarno Film Festival for *27 Down* (Hindi, Avtar Kaul, 1973); and the Golden Semurg for Best Film at the Tashkent Film Festival for *Antarjali Yatra* (Bengali, Goutam Ghose, 1987, The Voyage Beyond). As is evident from this list, such recognition encompasses films in several different languages from various regions.
74. This embrace has also been linked to the politics and ideologies of international film festivals.
75. Mittal, 39.
76. Pendakur has pointed out the links between the indigenous bourgeoisie and international (neo)imperialism with relation to the opening up of Indian television in the mid-1980s. See Pendakur, "A Political Economy of Television: State, Class, and Corporate Confluence in India," in *Transnational Communications: Wiring the Third World*, ed. Gerald Sussman and John A. Lent (Newbury Park, Calif.: Sage Publications, 1991).
77. The state-controlled Doordarshan still had a monopoly at that time.
78. Directorate of Film Festivals, Government of India, "National Film Development

Corporation," in *Indian Cinema 1995* (New Delhi: Ministry of Information and Broadcasting, 1996), 48.

79. For a study of the exports of this industry, see Pendakur and Subramanyam.
80. Much "indigenous" capital in the film industry itself comes from such (international) sources.
81. Manthia Diawara, *African Cinema: Politics and Culture* (Bloomington: Indiana University Press, 1992), 9.

5

Australia

Marcus Breen

To start at the beginning, the history of the Australian film industry is set against what happens in Hollywood. Let us not pretend otherwise. Yet the political economy of the contemporary film industry is one that continues to undergo rapid change, as film production a la Hollywood is perpetually a model to emulate and reject. Filmmaking in a national context is no longer about films per se but about popular image making and the struggles over the hegemony of ideas within a society. Furthermore, contemporary filmmaking is increasingly not about films; it is about value adding in the entertainment economy.

According to *Harper Index,* the average number of *101 Dalmatians* products introduced each day since the film's release in December 1996 is 380.[1]

The question then is what sort of national film industry can Australia have in the late 1990s? The answer, in part, is that the film industry has become part of the entertainment economy and Global Entertainment Corporations, which trades in an undifferentiated set of digital entertainment content.[2] Yet the *concept* of a film industry is crucial to a nation's sense of itself. In Australia, with a population of eighteen million, and about the eighth largest market for Hollywood product, the Australian film industry reflects an intersection of government policy focus, public funding, democratic access to production of popular culture, and intense creative output, which have evolved over the history of the industry.

In the following overview of the Australian film industry, I will examine three categories that describe the linkages between the economic and cultural history of the Australian film industry that bring us to the 1990s. The political economy I adopt sees the United States and "Hollywood" not as a simplified antagonist in an instrumental turn but as part of the larger perspective of world capitalism, where changes to components of production may provide new spaces for innovation in national and localized film.[3] I will show

how a model of dual dependence in the current Australian industry has evolved, with uncertain consequences.

I will apply institutional economics to this discussion. It has been described as an approach where a theory of social change is oriented through "an activist orientation towards social institutions."[4] From this position, the commodification of national cultures in relation to policy action will be highlighted as part of the "increasingly pressing" question of international cultural relations.[5] Globalization—or Hollywoodization—is largely the motor that moves national filmmaking into unstable international alignments and against which government policy responses occur.

The transitions that a theory of change in national film production reveals can be applied to the study of Australian film, by relying on textual readings, which themselves converge with global cultural industry movements. The proposed list suggests approaches that could be seen as a strength of the heterodox Australian scene and a reflection of the dynamic nature of debate about political economy in Australia. It can also be seen as a set of organizational strategies, based on the primacy of the first category, which the other two systematically cohabitate.

1. National film culture
2. National film policy–cultural studies
3. Pop culture narrative

The schools to which I have given this taxonomy provide a historical structure around which to describe the evolving model of the political economy of the Australian film industry.

According to Hinde, in 1980, the great cinemas have always begun as national encyclopedias of social directions.[6]

National Film Culture

National film culture incorporates the unsteady challenges by the culture industries to meet the demands of national culture. National film culture is defined not as a unified set of interests and concerns linked with an equally static set of concepts circulating around nationalism but as a hybrid, "a celebration of cultural impurity."[7] From this perspective of a cultural studies theory of hybridity, it is possible to see the unfolding of the Australian film industry as variously caught up in a highly invigorated act of incorporation into a set of imagined cultural goals. Yet simultaneously, these cultural goals are in conflict with a set of global economic goals, which increasingly have an overbearing and unrealistic impact on cultural production. Perhaps this is not surprising, given the search for nationhood in the context of a political economy that is constantly moving between identity issues that are themselves contingent on cultural expressions and the associated industry and economic activities of a society. This "culturalism"—identified by Veblen and the institutionalist school as the necessary articulation of economy with culture—is the table on which the ping-pong ball of hybridity bounces. While this back and forth may be appealing, it is really a metaphor for the ongoing history of film culture in the political economy context, where global production spaces are variously connected by bridges that are built and used when required. This is the point at which not one bridge connects "mainstream globalist cinema," as Polan suggests, but where networks of production operate to create a hybridized national film culture.[8] Or in what is more commonly referred to as "screen culture," the struggle to establish bridgeheads across multiple commercial production chasms provides a suitable metaphor for this history that encompasses "several fables of survival."[9]

From its earliest days, Australian film culture did what almost every other film culture has done: It produced images of everyday life, based on relatively conformist narrative techniques borrowed from the theater. Australian film culture did not reproduce elitist theater stories, yet it became national by default, as the primary popular art form of the technological age, presenting the most pressing issues and images about the lived experiences associated with the everyday lives and aspirations of the people. As I shall indicate in the next section, the national reflex does not always mean a self-conscious reference to the sense of nation as a place. Popular culture can thrive without a known home. Yet films that have made the Australian film industry culturally significant have been built around images and ideas associated with the nation-state Australia.

From the very early days of film production, "[t]he actual native landscape" has been presented in Australian film to convey an emblematically coded image of "the self consciousness of a national 'culture.'"[10] Ken Hall, one of Australia's earliest film directors, used images of the abundant rolling plains and wealthy farmers to project an idealized sense of place and space. In his film *The Squatter's Daughter* (1933), the obsession with the bush is presented as a normalized mythology of Australia, as indeed it was. Almost without exception, the Australian film industry was built against some sort of nationalist background of cultural praxis. Much of the early history of film was willing to experiment with popular themes of the era. From the mid-1920s, Hollywood began to have an impact on questions of national film culture, with the 1926 production of the convict story by Marcus Clarke, *For the Term of His Natural Life,* starring U.S. actors Eva Novak and George Fisher. Against this shift in importing actors was the establishment by Ken G. Hall of Cinesound, a U.S.-style production studio. It was the preeminent vehicle for localized production but relied on the U.S. model.

Two issues subverted the relationship of Australian to U.S. film—*trade unions* and *exhibition.* Both serve as indicators of the quest for localization, linked to labor issues for people employed in the film sector. Historically, this form of localization I define as that set of national, regional, and local interests, constrained by a dynamic set of social, cultural, and economic concerns linking geography with the conscious defense and promotion of identity. More recent definitions of localization in the globalized context reflect the change from defense to a "process" of collaborative engagement.[11]

From the 1920s, four unions coordinated the collective interests of employees: the Biograph Operator's Association (projectionists); the Theatrical and Amusement Employees Association (maintenance, ushers); the Federation of Australian Artists of Stage and Screen (actors); and the Musicians' Union (musicians). Although each of these unions suffered considerable setbacks, they represent a significant moment of relative power in the history of the Australian film industry until the 1990s. They drew on the Irish-Catholic working-class traditions of united industrial action where employees did not achieve due remuneration for the work they undertook. Perhaps the exception was the professionalized class of actors and musicians, who could operate outside the trade union's class solidarity appealing individually for higher payments—and in some cases with claims to individual intellectual property rights generating incomes for songwriters and public performances—against collective bargaining. Imported actors were especially effective in undermining collective bargaining, as the incipient methodology of Hollywood fractured the shared interests of Australian cinema labor. When the conscious globalization of the Australian economy began in the mid-1980s, trade unions were generally deemed a threat to competitive bids by the Australian industry to attract price sensitive offshore film production. Under extremely adverse circumstances, the actors and musicians and theatrical unions fought for the interests and benefits of their employees. As nonunionized employees backed by conservative, mean-spirited politicians whipped the union breakers into an avaricious frenzy, large numbers of the film union memberships stayed committed to the collective approach. Interestingly, part of the rhetoric associated with the continuation of the contemporary Australian film industry has been uncritically based on the relatively low wages and the Australian dollar value (against the U.S. currency), which makes film production and labor cheap and attractive for Hollywood.

The second historical challenge to Australian film culture was exhibition. Foreign exhibition ownership and control in association with distribution arrangement was a substantial factor in challenging and weakening Australian film culture after World War II. In 1913 Australasian Films was established as a big "combine" of distributors, exhibitors, and producers, with the aim of controlling production. But the combine made unrealistic demands on producers that became self-defeating, and with World War I, the film industry soon lost momentum.

Major directors during this early phase of the industry, such as Charles Chauvel, Raymond Longford, and Franklyn Barrett, had widely differing expectations of how the industry would progress. But Hollywood was the model, especially following the collapse of the European film industry after World War I. Australia enjoyed a limited number of exhibition spaces associated with independent production activity. Large venues in the city were owned by Australian interests, such as J. C. Williamson, Hoyts, and Union Theaters, while "picture show men" toured the bush, exhibiting films in tents and town meeting halls. It was an ad hoc arrangement, which meant that the more coordinated interests like Paramount were able to intervene and control much of the distribution and exhibition and associated marketing of film.[12] The result of this challenge to Australian sovereignty was that between 1925 and 1939 no less than 463 films each year were imported into Australia; audiences were equally enthusiastic for foreign fare, with 68,364,016 movie tickets sold in Australia in 1921 alone.[13]

The depression of 1929–31 reached into the viscera of this cultural activity, fraught as it was, and ripped the luxuriating leisure lifestyle from the body of the population. Australian film production went into decline. Charles Chauvel and Ken G. Hall stand as the mainstays of indigenized filmmaking in the 1930s, 1940s, and 1950s. Chauvel's foremost contribution was his commitment to independent filmmaking and his challenge to the centrality of the prevailing white Australia view, especially in his 1955 film *Jedda,* which featured Aborigines as informed decisionmakers of the otherwise isolated, Eurocentric outback.

Hall's films of note played on sentimental melodramatic comedy routines. They included a remake of *On Our Selection* (1932), *Strike Me Lucky* (1934), *Tall Timbers,* (1937) and *Mr. Chedworth Steps Out* (1939). These films were made through Cinesound, which had been supported by Australasian Films and Union Theaters, two major Australian exhibition and distribution firms.

After 1937 Cinesound concentrated on the important task of newsreel making. In some respects this "filmmaking" could be seen as the nonartistic face of national film culture, with a heavy orientation toward nationalistic, even jingoistic, themes. Certainly it was a domestic propaganda tool during World War II and in the years following the war as U.S. forms of consumer capitalism expanded, attracting large audiences again.

Retreating into a British-Empire reflex, Australian film production in the 1950s and 1960s was buoyed by the Ealing Studios, which reinvented Australian life as the foreignness of the outback, with films such as *The Overlanders* (1946) and *The Eureka Stockade* (1949). The prevailing U.S. view of Australia as an outpost of civilization—an off-the-map-location for other worldly romance and adventure—can be seen in the 1959 production of *On the Beach,* filmed in and around Melbourne. Generally, however, the Australian film industry made little headway during these years, allowing the hegemony of U.S. productions to be established.

In the 1960s and 1970s the Australian film industry as a vehicle for national culture was again revived, largely constructed around images drawn from the bush. Yet those images had become complex, made problematic by a nation that had moved its lived experiences to the eastern seaboard capital cities of Melbourne and Sydney. Urbanization struggled with the myth of the bush and wealth generating rural-based primary industries such as mining.

Sunday Too Far Away opened the imagination of Australian audiences to the idea that the bush was equally a location for mythologized maleness as it was a place of social and personal failure. What has been called the Anzac Tradition—the tall, bronzed, physically powerful soldiers from Australia and New Zealand who fought and died by the thousands in World War I—helped mobilize cultural meaning during the 1970s. *Breaker Morant*—although set in the Boer War in South Africa—played out questions that prefigured postcolonial concerns about the authority of Britain and the quest for national independence. *News Front* and *My Brilliant Career* (the latter an engaging feminist critique of Australian male bushness), and *Picnic at Hanging Rock,* all announced the emergence of an independent perspective in the country in general. Made on an average budget of $350,000, ten times smaller than the Hollywood budgets of the 1970s and 1980s, Australian film culture gained a huge presence as a self-conscious reflection of the struggle for nationhood.[14]

Importantly, this was clearly linked to the politics of the time, when from 1972 to 1975 the Australian Labor Party was in power and made a number of important gestures to cut Australia from the colonial ties of Britain.

Mad Max (1979)—*Road Warrior* in the United States—and *Crocodile Dundee* (1986) finalized the problematic aspect of the bush and Australianness. In doing so, these two films were able to invest newly localized perspectives of Australia, drawn from postmodern concerns associated with micromeanings and postcolonial consciousness. They were particularly challenging films because they relied on highly focused, mythologized rereadings of the Australian bush: In the United States, they attracted large audiences, who read localized meanings of exoticism coupled with Hollywood familiarity into these films. The major point of transition in the content-production nexus was thereby created by these two films. Content could be local, yet global, while production could equally consist of contingent elements. *Mad Max* and *Crocodile Dundee* were celebrated in Australia as an action-flick genre in an innovative "outback" context, while in the United States they carried the added baggage of "otherness." By the late 1990s (in the United States), the appeal of the "other" was giving way to a profound disinterest in non-American film, non-English language films, reinforcing a politics of isolation as America withdrew from the outside world.

According to the *Economist,* in February 1997, in the 1960s foreign language films shared 10 percent of the North American market. In 1986 the figure was 7 percent. In 1997 it was 0.75 percent, including the release of Bunuel's *Belle de Jour* in 1996.

The political economy of producing *Mad Max* and *Crocodile Dundee* marked them as loosely associated with the Australian industry infrastructure—depending on or rejecting government subsidy and support while relying on the U.S. model of private investment, exhibition, and distribution. Assisting here was the emergence of the indigenous distribution system incorporating Village Roadshow, Hoyts, Greater Union, and Ronin Films, which committed themselves to the promotion and exhibition of this new generation of films.

In summary, national film culture has an equivocating location in the political economy of the Australian film industry: to find audiences, myths, and ideas unique to Australia as key elements of nation building, yet only when the transition to full commercial realization within the Hollywood system occurs. The dual nature—or Janus face—of the national film culture is likely to continue.[15]

National Film Policy–Cultural Studies

Inevitably, the history of the Australian film industry is interspersed with government inquiries. It is perhaps this element of the political economy of film that reveals most about the nation–film culture project in Australia.

It is the point at which public and government concerns with the image of Australianness is constructed in an evolving relationship between the changing nature of capitalism and the state's conceptualization of localization. It should be of no surprise, therefore, that the first government investigation of the Australian film industry in 1927 was during film's most popular Antipodean phase. The resulting 1928 Royal Commission report proposed protective barriers, such as tariffs, barriers, and quotas on foreign films. Few of these proposals went forward, but they remain industry gatekeeping strategies still today. Two later government inquiries established the primary areas of concern:

- The 1954 Royal Commission report into television produced the 20 percent local content regulation for commercial advertisements, helping maintain the production base.
- The 1963 Vincent Committee report into television and film production ultimately realized three initiatives: a government funded film bank, a film school, and an experimental film fund.

Perhaps the most significant moment in film policy history was the culmination of the energy generated by the Vincent Committee. This was the 1967 formation of the Australia Council for the Arts, which, amongst many arts-based responsibilities, was given the task of advising the federal government on film and television grants. The realization of the Vincent Committee's recommendations by the newly named Australia Council in 1969 paved the way for a string of industry development initiatives:

- The 1970 establishment of the Australian Film Development Corporation
- The 1975 establishment of the Australian Film Commission to administer government funds
- The 1972–1975 establishment of film funding agencies in every state

Other major film initiatives dating from the mid-1970s involved federal and state governments in film industry development programs. By 1981 the new 10BA program sought to link taxation laws with film production by allowing a 150 percent write-off on investment in film and television production. Under pressure from development agencies, such as the Australian Film Commission (AFC), many filmmakers sought nondeductible investments that were outside the limits of 10BA. Nevertheless, the 10BA market solution resulted in films such as *Mad Max 2, Puberty Blues, The Man From Snowy River, Starstruck,* and *Monkey Grip,* and "projects" that served as a means to reduce tax for investors but that were never made.

The arrival of the Film Finance Corporation (FFC) in 1988 marked another interventionist policy moment—it attempted to mobilize market interests within the context of direct government investment and subsidy of film production. "Commercial viability" became a concept around which national film production had to be oriented, which inevitably struggled against what producer Joan Long described as "a load of market-driven rubbish."[16] The FFC funded films together with state film agencies, cooperating to leverage essential commercial distribution agreements for local and international release. As Joan Long suggested, the nation and film culture orientation had to make way for a marketable product, advocated by the brokerage role of the FFC as the principle funding agency. Furthermore, the Australian film industry began to seek international coproductions, as well as attract foreign productions to Australia from the 1980s. Warner Studios in partnership with Village Roadshow have a studio facility in Queensland, with unfulfilled attempts in Victoria and South Australia, while Fox Studios has a vast project in New South Wales.[17]

The establishment of the FFC and its globalizing guidelines may have served to decouple national film policy activity from national film culture. In 1996 the election of the conservative Howard liberal government, after thirteen years of the culturally progressive Australian Labor Party government, caused anxiety in the filmmaking community. The question of stopping film funding arose. Remarkably, the *Gonski Review*, released in March 1997, was supportive of public funding mechanisms like the FFC. It acknowledged this and other institutions, such as the AFC, while failing to identify the range of cultural concerns that the film industry reflected. Commenting on the concerns incorporated within a national film policy framework, AFC Chief Executive Cathy Robinson noted that "screen culture provides the context in which productions are seen, discussed and applauded. The quality of the industry's output will be diminished without effective support for both these areas of endeavor (screen culture and script development)."[18] This is a dilemma raised by a popular culture that interpolates its national sensibilities into global popular culture.

According to some film industry boosters, Australia is moving into the big league, as quirky comedies give way to growing confidence and international stature.

Pop Culture Narrative

Pop culture narrative can be seen as removing Australian audiences from an active engagement with national questions while reinvoking questions of identity in the territories defined by youth, music, sport, women, indigenous persons. Importantly, the approach in popular culture is of advocacy toward film as the primary popular cultural invention of the twentieth century. It promotes film's internationally substitutable texts, rather than being critical or self-consciously national.[19] The textuality of films is considered primary and deserves to be discussed without the benefit of cultural screens, like local content regulations for television, use of Australian labor (including actors) in feature films, nation building goals, or even government sponsored industry facilitation. Cultural screens are constructed out of commitments to national consciousness raising, labor opportunities, and industry development. Pop culture narratives may have little or nothing to say about such national concerns.[20]

Conversely, a historical orientation provides another perspective on this defeatist interpretation of pop culture as a means of global, yet uncritical, cultural incorporation. Movies have been a significant part of Australian society since the early days of cinema. One of the first Australian films made (in 1907) was about the annual Melbourne Cup. This horse race was a major event for public and proletarian celebration, set on a vast parkland in Flemington, not far from the center of Melbourne. Almost anyone who wanted to could attend "The Cup," which became a symbol of Australian culture, the propensity to take risks—as seen in gambling and as applied in creative approaches to business and culture—the carefree approach to class differentiation, with little or no barriers to social mobility. This fantasy of social life soon faded as the ruling interests of Melbourne took it upon themselves to shut down the racecourse and turn it from a public picnic area, giving control to the Victorian Racing Club and its British ruling class interests.[21] Significantly, the Melbourne Cup continues to be a once a year festivity, where the population of Melbourne revels in the fantasy of the suspension of social and economic constraints for the duration of the public holiday ("Cup Day"). From the perspective of articulation theory, the movie industry had tied its interests to the popular imagination by producing the first movie about this particular subject, a horse race and the people's celebrations associated with it.[22]

Ironically, other debates about film as popular culture came at around the same time—1900—and a film was made by the Salvation Army titled *Soldiers of the Cross*. The attempt to use film for didactic purposes was clear. It could be articulated into popular leisure activities, replacing the secularized environment associated with gambling and horse racing, created instead to rescue and enhance social behavior for a Christian and middle-class moral rectitude. If this contrast between a horse race and the church appears overstated, it can be further amplified by the institutional opposition to popular culture that was circulating in Australia at the time film made its debut. The censorious nature of the church was reflected in the 1877 comment from the bishop of Melbourne, speaking in relation not to movies but to the theater: "No Christian man ought to enter it [the theater] till he has ascertained that the abominations are removed."[23] The opposition to public performance was to continue, with the New South Wales undersecretary telling the nation's biggest distributor, J. C. Williamson, in 1912, that a film that had been screened was in poor taste, that "a large percentage of the film's patrons generally (consisted) of women and children who, by witnessing a picture of such a nature, would obtain an undesirable knowledge of phases of life with which, probably, they would be unfamiliar, and of which they should remain ignorant, if possible."[24] Presumably, ignorance about Bible stories or science would be inoculated from this warfare against the popular culture.

Resistance in popular films came to a head in 1912, following the achievements of several films that began in 1905 with *The Story of the Kelly Gang,* which opened the door for a string of films about bushrangers, or ganglike Robin Hood bands very closely associated with working-class Irish and English settlers. After *Robbery under Arms* (1907), *Captain Moonlight* (1910), *Ben Hall and His Gang* (1911), and *Captain Moonlight: The Bush King* (1911), the New South Wales government banned films of this nature, in 1912.[25] It took decades for proletarian-style movies to actually reappear in Australia, which, in a dramatic liberalizing phase for the society, were known as "ocker" films. *The Adventures of Barry McKenzie* (1972), *Alvin Purple* (1973), and *Don's Party* (1976) celebrated sexual, social, and political life in suburban Australia in ways that were well received by Australian audiences. They were small victories for the tradition begun by early popular culture filmmakers who, after the bushranger genre was banned, turned their efforts toward reworking the prevailing issue of the era—the city or the bush. Although the perceived threat of "bushranging" the middle classes disappeared, the industry began to work through visions of national culture that dealt less directly with popular notions of class rivalry.

More specifically, the industry began to work across the demands of the attraction of foreign "generic" popular culture in counterdistinction to localized concerns with national ideas and aesthetics.[26] As Graeme Turner suggests, the unique characteristics of Australian film activity can be seen as an incorporationist moment: Here the mainstreaming of Australia images into global popular concerns involved "a constitutive strategy for the national film industry on nationalist, commercial *and* textual grounds."[27] The result of this collapse into popular culture was that films had to invoke Australianness (text or story); films such as *Babe, Romper Stomper, Strictly Ballroom, Proof, An-*

gel Baby, and *Shine* gained localized commercial and international recognition and success while bridging the multiple chasms yawning below the rhetoric of globalization.

Perhaps the greatest challenge in this discussion of industry is to establish a suitable definition of "success." As one of the most abused words in the cultural industries, it is interpreted depending on the context in which it is used by participants in the production process, the "network of players"—writers, directors, actors, financiers, government film funding agencies, exhibitors, distributors, and audiences. For the purposes of this discussion, "success" is defined as recoupment of all production costs. To provide an example of the complexity of this concept of recoupment, *Strictly Ballroom,* with a budget of $3.5 million, did not recoup that investment in Australia, despite box office sales there of $21.55 million.[28] Overseas sales made the difference in the final returns on films such as this, films that are in fact exceptions, in the way in which they negotiate popular cultural forms of filmmaking both locally and internationally.

Contemporary Industry Structures

Early in 1997, David Gonski, chairman of a federal government inquiry into the Australian film industry, made the following remarks: "The current levels of confidence in and performance of the industry will not continue without the ongoing assistance of the Commonwealth Government."[29] This statement marked the consolidation of the mixed model political economy of the Australian film industry. In an era in which governments were being encouraged to cut public funding for film production, and with a very conservative federal government in office (from early 1996), this statement provided some relief for the Australian film industry. Gonski advocated several changes to film funding, in particular suggestions that instead of using tax incentives and the FFC to fund films the government establish a venture capital style of funding. A production slate rather than project funding was the intended outcome of such a change. More important still was the recommendation that "[t]he Government recognize that to achieve its cultural objectives it will earn non-commercial rates of return on its investment."[30]

Constructing a national cinema is no easy task, more so in the 1990s as the global economy facilitates the movement of cultural production around the world. Yet even conservative business interests, in alliance with governments of similar ilk, recognize that commercial cultural activities with a national focus cannot survive without public support. This is the dependent film industry, defined by a dual dependence: (1) dependence on state funding and an institutional infrastructure and (2) dependence on the Hollywood system. In many respects, dual dependence relies on industry models that have been characterized as "entrepreneurial globalization," where the basic challenge is "continuous innovation."[31]

There are six steps in the new political economy of dual dependence in entrepreneurial globalization.

1. Creativity
2. Preproduction and distribution guarantees
3. Production and celebrity
4. Local/global text
5. Differentiated markets
6. Intensified promotion and marketing

Some of these points have been identified in the above discussion. Almost every phase has to negotiate the combined demands of local funding agencies in Australia while managing international concerns. Intensification of this relationship can be seen in comments from Linda House, the producer of *Proof* and *Muriel's Wedding* ("Obviously everyone who has a hit goes [to Hollywood]"), to Bruce Beresford ("They all go over there after one film now; I think I had to do 11 before I got offered work over there").[32] Intensification of production generates uncertainty about localization—the speed and precision of production at any one of the six points of dual dependence is given priority. To render such intensity more amenable, film production trade in personnel and their creative ideas has been constructed as a core component of the reified global production process. This has been termed post-Fordist—where independent film production units are predominantly independent labor pools working at project productions, rather than in a studio context.[33]

To complicate matters, the mix of funding from government agencies and private investors provides only a partial clue about how the Australian industry functions in dual dependency. For example, figures about the Australian industry tend to conflate feature films with television drama, thereby eliding what could be specific skill sets for cinema. However, the impact of the Australian Broadcasting Corporation as a major producer of television drama is documented as a major influence on cultural taste values. Data collected by the AFC and the Australian Bureau of Statistics itemize this aspect of dual dependency. Indeed, domestic television presales have a profound impact on the financial considerations of production. Another important component of the dual dependency is the rapidly changing nature of the industry, as a fashion-oriented activity, which may experience the euphoria of a string of highly acclaimed Australian movies in quick succession, followed by a downturn. Commenting on this trend in feature film production in 1994–95, AFC Director Cathy Robinson noted: "In any event it's the nature of a small industry like ours for there to be a cyclical pattern in the number and value of productions" (see tables 5.1, 5.2).[34]

Over a period of two years, this variation can be identified in a 6 percent

Table 5.1. Australian National Film and TV Production Survey, 1992–1994

	Australian		Foreign		Total	
	No.	($m)	No.	($m)	No.	($m)
1992-93						
Features	23	63	2	29	25	92
Mini-series	14	79	-	-	14	79
Series/serials	12	67	2	2	14	69
Telemovies	6	7	4	19	10	26
Total	55	217	8	50	63	266
1993-94						
Features	29	141	2	69	31	210
Mini-series	4	33	-	-	4	33
Series/serials	15	76	1	24	16	100
Telemovies	11	12	3	12	14	24
Total	59	262	6	105	65	367

Source: Australian Film Commission

Table 5.2. Australian National Film and TV Production Survey, 1994–1996

	Australian		Foreign		Total	
	No.	($m)	No.	($m)	No.	($m)
1994-95						
Features	18	43	2	70	20	113
Mini-series	12	69	-	-	12	69
Series/serials	14	65	3	33	17	98
Telemovies	18	28	4	25	22	54
Total	62	205	9	128	71	334
1995-96						
Features	25	89	5	132	30	221
Mini-series	15	98	2	31	17	129
Series/serials	19	90	1	1	20	91
Telemovies	12	20	6	18	18	38
Total	71	297	14	181	85	478

Source: Australian Film Commission

drop in national box office. The impact of this figure bleeds directly into the international balance of payments issues that are the ideological pillar for the mixed approach to national cinema. A set of figures that describes the amount of box office receipts expropriated to the United States and those receipts remaining in Australia could be instructive (see table 5.3).

Conversely, with a consistently well-organized, Australian-owned exhibition oligopoly of Village Roadshow and Hoyts, along with locally owned art house cinemas, considerable funds from box office receipts stay in Australia. At this point, at least, there is little evidence of dual dependency having an influence from the exhibitors perspective. Then again, the global cinema promotional apparatus of media advertising, through magazines, television sitcoms, and popular media references, is top heavy with American popular products. Exhibitors are inclined, therefore, to use the free rider, cross-promotional vehicles available. Marketing costs for Australian product may increase as a result, with commensurate low-level costs for U.S. marketing campaigns. Virtually no intervention by government has sought to influence the distribution of cinema in Australia. This provides a dramatic contrast to government facilitation of production, where national culture-sensitive exhibitors seek to maximize returns from both foreign and Australian productions.

What's Left

Against this graying of the Australian industry into a coexistent dual production model is the contradictory commitment to "screen culture" by government agencies. This amelioration model of media production is the point at which political and policy issues may have the most historical force for change.[35] Let me record an explanation of screen culture in the context of the challenges imposed by new digital production and the associated expansion of opportunity in the digital economy. (Screen culture organizations are defined as "a special group of organizations dedicated to film and video culture in Australia.")[36]

> [S]creen culture production organizations, have worked at the grass roots level to discover, train and develop talent in the screen arts. They have been especially dedicated in their commitment to developing the work of the young, innovative and experimental. They have encouraged and assisted the production of short film, low budget features and documentary, especially those projects of significant social and cultural value, but of marginal commercial appeal. Additionally, they have worked closely with local organizations and communi-

ties to give them access to training and production facilities so that the divers nature of Australian society can be better represented in screen media.[37]

Table 5.3. Cinema in Australia, 1994–1995

	1994	1995
National box office	$445m	$502m
National cinema admissions (est.)	63.6m	69.9m
National average ticket price	$7.00	$7.17
Top cinema ticket price	$11.50	$12.00
Total number of cinema screens	1,028	2,237
Top film at the box office	*The Lion King*	*Batman Forever*
Australian top film at the box office	*The Adventures of Priscilla: Queen of the Desert*	*Babe*
Australian films, % of national box office	10%	4%

Source: MPDAA/AFC

There is no doubt that this list of activities, institutions, and services itemizes the bedrock from which the Australian industry takes its energy. From a policy perspective, current and future debates about the Australian film industry will likely rely on this semiofficial, yet essential, training and community screen culture infrastructure to sustain any national screen culture identity. It must do this from the screen culture perspective—to maintain a semblance of national identity that is not mediated by Hollywood. What is left for Australian cinema, therefore, is an industry model of grass roots screen culture development, in which producers, specific audiences, and the public are enabled in their use of cinema by active engagement with the machinery of production. Amelioration of the globalizing images of Americana and its production presented by Hollywood in the Australian context can be more fully appreciated by recognizing that the promotion of screen culture can be viewed as one of the contemporary features of the Australian industry.

Conclusion

The Australian film industry has relied on the mixed model of funding from public and private sources since the 1970s. This model has consolidated, while changing, partly in response to cultural pressures arising from the historical process of nation building and due to the economic and associated political demands for a popular culture that intersects the local and national with global concerns. The dual dependency of the contemporary production industry on state and federal government funding and the Hollywood industry is a case study in national compromise and ambition in a global context where continuous innovation is the only constant.

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6

Israel

Owen Shapiro

Introduction

English-speaking audiences should be particularly interested in films from Israel. Israel is as ethnically and nationally diverse as the United States. Its citizenry, in addition to those of European and Middle Eastern descent, also includes a significant number of Americans, Canadians, Australians, British, South Africans, and New Zealanders. In fact, English is Israel's second language, after Hebrew and before Arabic. Therefore, it comes as no surprise that many Israeli films have some English dialogue. A few films are all in English. Debates over issues of ethnic diversity and the desire to retain ethnic identity in a pluralistic society are major issues in Israeli society. As the seat of Judeo/Christian heritage, Israel's values are dominantly Western, though the tension between the Ashkenazi (Western) and Sephardim (Eastern) has always been palpable. That Israel is a Western democracy surrounded by theocratic, totalitarian, or monarchical states constantly creating political and military conflict makes for a wealth of dramatic stories, and Israelis are great storytellers no matter the language in which they are told.

From filmmaking's infancy the Holy Land was a place of fascination. In the late 1890s and early 1900s, foreign filmmakers were attracted to the exotic sights of such places as Jerusalem and Bethlehem. However, the fledgling country that was in 1948 to become Israel had little interest in this new medium of film, as it took all of its resources and energy to provide for life's basic needs—food, water, and security. Most of the films produced during this time were pro-Zionist documentaries. Ben Gurion, Israel's first prime minister, saw the cinema merely as entertainment for the masses. His attitude prevailed among his successors, with its vestiges still evident today. Far from the centers of filmmaking, without its own film labs, technicians, or studios, Israel was in no position to begin to develop any sustainable form of filmmaking activity, much less a film industry. Again, after 1948, it was foreigners who came to Israel to make films, and again, most were documentaries. Because Israel's population was very small, the few fictional films made, many in English, were for export. Perhaps the most important artistic achievement among these films is the American/Israeli coproduction *Hill 24 Doesn't Answer* (1954), Thorold Dickinson's episodic structure about the early days of Israeli independence. Indigenous fictional feature filmmaking as well as broadcast television did not exist until the early 1960s. Therefore, this chapter will be about the cinema from this time forward to the present.

Most of the filmmakers who were there at the creation of the modern Israeli cinema fortunately remain available to tell their own stories. Therefore, this discussion of Israeli cinema incorporates material gathered from interviews conducted in April 1997 with twelve Israeli filmmakers whose work spans the spectrum of Israeli film history and aesthetics. It is the story of these filmmakers, and their colleagues, that this chapter will relate. Judd Ne'eman, Avram Heffner, David Perlov, and Moshe Mizrachi were making films from the earliest days of an indigenous Israeli cinema. Aner Preminger is one of Israel's younger talents. Michal Bat-Adam was the first Israeli woman to direct a feature film. Filmmakers such as Eli Cohen, Daniel Wachsmann, and Igal Burstyn have crossed the border between fiction and documentary. Eitan Green and Haim Bouzaglo are working at the fringes of realism, the dominant aesthetic in Israeli film, and pushing toward other aesthetics influenced by European and American art cinema, while Uri Barbash's films operate within the heightened realist aesthetic of John Cassevetes and Mike Leigh.

The Scene

The Israeli film industry is very small. Though it has a long tradition of producing high-quality documentaries, it rarely produces as many as ten feature films a year with budgets generally ranging between $350,000 to $600,000. Writer, director, educator, Avram Heffner, with his typical wit, notes: "There are no producers in Israel. If the producer is the one who dreams up the project and makes it, there are only directors. Directors run to the Film Fund. If the Fund gives you money you make the film, if not, you turn it into a novel."

In Israel, as in many other countries, television is becoming a major producer of fictional narratives. Because Israel has no tradition of film producers, many Israeli filmmakers believe that Israeli television, in addition to producing television dramas, must play a major role in producing theatrical features if the Israeli cinema is to survive and flourish. Although Israelis will tune in to television broadcasts of Israeli films, they seem unenthusiastic about patronizing these films when screened in the theater. Ticket sales vary from just a few thousand to a few hundred thousand, seldom reaching a million. Television broadcast rights rarely bring more then $100,000. If one counts private investments, in-kind contributions, deferred and conditional-upon-profit wages, the average film budget climbs to about $750,000. Working with such a limited budget seriously hinders production values. Many films are produced without adequate art direction, rehearsal time, complex camera set-ups, or a reasonable number of shooting days. Yet, each year there appear at least two or three outstanding films, whose artistry and content stand with the best in the world. Though these films often have successful festival records, they receive minimal if any U.S. distribution or exhibition. Recently, Amosgitai's *Kodosh* became the first Israeli film to be selected for the Cannes Film Festival. Were it not for the many Jewish and Israeli film festivals held throughout the United States and Canada, these films would never be seen in the West.

Despite the small number of feature films produced annually, there are many schools and universities teaching filmmaking, the most noted being Tel Aviv University, Camera Obscura, and the Jerusalem Film School. The new generation of Israeli filmmakers is being taught by those who helped establish the modern Israeli cinema. David Perlov, an influential filmmaker and film educator recalls:

> It was 1972 when there were conversations about creating a university film school. Now, our many film schools have transformed the Israeli cinema. Before these schools many talented and intelligent directors were naive, they didn't think you had to study film, you have it in your blood. Producers thought that studying film would make the films intellectual, and not what the public would like, so they were against setting up schools. But news came in from everywhere . . . you study cinema in America, in France, in Poland . . . and that's the greatest argument. Today, most all directors come from film schools.

Themes and Variations

> A national cinema is like a passport. The Israeli passport is old, it has to change. It pictures us with our Holocaust mentality that is predicated on a certainty that we will be destroyed no matter the political course. Even when we are talking about something else this is the image we automatically, or unconsciously, broadcast. We will not be destroyed. We are not in Auschwitz anymore. We need, for ourselves and for others, a new image; a new passport that recognizes the many colors of our landscape.
>
> —Avram Heffner

Though most Israeli films center on the major themes of the kibbutz, the Arab and Israeli, war and the military, immigration and ethnicity, the Holocaust, religion, self-reflexivity and the Israeli New Wave, and the apocalypse and other "isms," and although most Israeli films can be analyzed in reference to at least two of these themes, there is, indeed, as Heffner states, a Holocaust mentality, a Holocaust megatheme, that permeates much of the Israeli cinema, especially through the mid-1990s.

The Kibbutz

The kibbutz has been a central subject in Israeli film. Run as a participatory democracy, the kibbutz is a form of Socialist living, a communal settlement, propagated by Zionist ideology. Early Israeli films often celebrated the self-sacrificing ideology of kibbutz life in opposition to urban, capitalist values. Baruch Dienar's *They Were Ten* (1960) is a powerful drama of early settlement in Palestine by Diaspora Jews who struggle to make the land fertile while staving off Turkish brutality and attempting to get along with their Arab neighbors. Uri Barbash's *Unsettled Land* (1988), with Kelly McGillis and John Shea, can be viewed as a remake of Dienar's film.

Later Israeli filmmakers deal more harshly with kibbutz ideology, criticizing the moral corruption and lack of privacy and personal incentive. Igal Burstyn's 1978 *Belfer* satirizes a "kibbutznik" who desires material wealth. Nadav Levitan's *An Intimate Story* (1981) focuses on the lack of kibbutz privacy when a couple's inability to conceive a child is a matter of public knowledge and discussion. *Noa at Seventeen* (1982), by Isaac Zepel Yeshurun, combines an ideological debate over the future of kibbutz socialism even as it depicts a struggle for personal identity. *Boy Meets Girl* (1983), by Michal Bat-Adam, is the story of a little girl, Aya, who is sent to school at a kibbutz. As an outsider she has difficulty adjusting, having to fight for her rights and for friendships. Akiva Tever's *Atalia: War Widow* (1985) portrays a widow who copes with her loneliness by having sexual relations with many of the kibbutz's men.

The Arab and the Israeli

The Arab/Israeli conflict, even when not the focus of a film, often looms in the background, or is referenced in dialogue or image. Given the left-of-center politics of most Israeli filmmakers, their portrayal of Arabs is often sympathetic.

In Daniel Wachsmann's *Hamsin: Eastern Wind* (1983), the Galilee landscape becomes a character in a powerful study of the relationship between a Jewish rancher and his Arab worker. Intrigue and betrayal are the themes in Judd Ne'eman's *Fellow Travelers* (1983), a story about an Israeli pop singer's involvement with an Arab woman and the activist Arab group of which she is a member. Uri Barbash's controversial *Beyond The Walls* (1984), an Academy Award nominee and Venice Film Festival Critics Prize winner, is about brutality and corruption in an Israeli prison where prison officials foment hate and distrust between Arab and Jewish prisoners. "In *Beyond the Walls* I cast a blue eyed blond as the Arab and a very dark actor as the Israeli. Even the set was designed to speak to contradictions. The prison is Mediterranean in style. There are no prisons like this in Israel" (Uri Barbash). In *Nadia* (1987), by Amnon Rubinstein, a sixteen-year-old Arab girl's progressive father sends her to a Jewish boarding school where she experiences prejudice from both her Arab friends and Jewish classmates. In Haim Bouzaglo's *Fictitious Marriage* (1988), a teacher leaves his family for a trip to New York. Instead, he "trips out" in Tel Aviv and begins an existential journey in which he assumes the identity of a mute Arab worker. *Crossfire* (1988), by Gideon Ganani, is about a Jewish woman and Arab business man, who, in a Romeo and Juliet–like story, meet and fall in love in war torn 1948 Palestine. Eschewing realist aesthetics, Rami Na'aman's *The Flying Camel* (1994) is an inventive fantasy. An eccentric professor, living in a shack on land owned by his family, meets a Palestinian who claims the same shack as his ancestral property.

War and the Military

War has been an inescapable reality since the creation of the State of Israel in 1948. Israeli military superiority has become a major sign for Israeli strength, approaching a sacred stature. The 1982–85 Lebanon "excursion" was Israel's Vietnam, neither won nor lost; it was a war that changed the psychological landscape of Israelis' attitudes toward its previously infallible military.

Siege (1970), by Gilberto Tofano, weaves newsreel footage of terrorist attacks into the fictional story of Tamar's search for love after losing her husband in the Six Day War of 1967. The self-reflexive ending that shows Gila Almagor (Tamar) putting on makeup while a film crew is busily at work generates two opposing ideas: that terrorism permeates reality and that it is reduced to a fiction.

An example of an early film that criticizes the military was Judd Ne'eman's *Paratroopers* (1977), a film in which the unrelenting rigor of basic training results in the suicide of a recruit.

> I was told to re-write the script so the suicide of the recruit will be a "positive" . . . sacrificing his life to protect his friends from being killed by this hand grenade. I said no. When the chief of staff of the Israeli Defense Force (IDF) read the script he said there was "no way, you are not going to ruin the reputation of the IDF." Now, everybody already knew that people committed suicide for being harassed. But it was improper to show it. I wrote to the special consultant to the Minister of Defense, saying that this was censorship. He said I was right and would discuss it with the Minister, who was Shimon Peres. They met and agreed to help me make the film. (Judd Ne'eman)

The Israeli armed forces is a citizens' army. Women and men are conscripted upon graduating from high school. The armed forces is a place for heroic action, camaraderie, and unquestioned loyalty.

The idea that camaraderie extends beyond life, as dead soldiers are almost deified, is at the center of *Repeat Dive* (1982), by Shimon Dotan. When a member of a navy commando unit is killed, his best friend, out of a sense of loyalty and responsibility, marries his grieving and needy widow. *The Smile of the Lamb* (1986), also by Shimon Dotan, is about how Israelis, even those who are close friends, may have conflicting views on how to deal with terrorists. Eli Cohen's *Ricochets* (1986) uses a voice-over narrator to raise moral and ethical questions about the Lebanon war, in which nothing is simple or as it appears. Rafi Bukaee's *Avanti Popolo* (1986), which won first prize at the Locarno Film Festival, is an unquestionable masterpiece. When two Egyptian soldiers are captured, near the end of the Six Day War, by an Israeli patrol in the Sinai desert, one, an actor, recites the famous "I am a Jew" speech from Shakespeare's *The Merchant of Venice.* The Israeli soldiers laugh, understanding that both Arab and Jew have suffered from bigotry and prejudice. Using the desert as a metaphor for isolation and otherworldliness creates a fairy-tale-like setting. Indeed, understanding between Israelis and Egyptians may only be possible in a fairy tale. In *One of Us* (1989), by Uri Barbash, truth and the law battle loyalty and friendship as an investigation into the death of an Arab terrorist held in an Israeli military headquarters cell pits longtime comrades against one another. "For me a political film is the most intimate film. Being political means being aware of your surroundings . . . being aware of a stranger . . . not being obsessed with your egoism" (Uri Barbash). *Time of the Cherries* (1991), by Haim Bouzaglo, is a compelling, stylistically surreal film, critical of Israel's involvement in the Lebanon war. Michal Bat-Adam's *The Deserter's Wife* (1992) probes the dehumanization of Arabs by Israeli soldiers, lack of communication between husbands and wives, and the Israeli attitude toward new immigrants.

Religion

A cradle of Islam, Christianity, and Judaism, we should expect that Jerusalem would provide filmmakers with a setting for issues of religion. However, Safed and other areas in the Galilee, where the great Jewish kabbalists settled in the fifteenth century, also provide film settings for Israeli filmmakers fascinated with religion in its institutional, spiritual, and mystical forms.

> Academy Award nominee *I Love You Rosa* (1972) by Moshe Mizrachi plays with the Leverite law that obligates a man to continue the family line by marrying his brother's widow. In this story, set in Jerusalem, the living brother is a little boy. As the boy becomes a man, his relationship to the widow matures from that of parent/child to lover/husband. I got the idea for *I Love You Rosa* from an image I had as a little boy. It is that special hour when I'm already in bed and mother is trying to put things in order and she's humming some songs to herself, and some songs are coming in from the street. I feel the sadness that a kid can feel at that moment, that feeling of nostalgia, of paradise lost. (Moshe Mizrachi)

In Michal Bat-Adam's *A Thousand and One Wives* (1989), religious ritual practice and superstition in nineteenth-century Jerusalem is the context for a sensitive portrayal of a young innocent woman's marriage to a widower whose two previous wives mysteriously died. "The film is about a concentrated situation where a man and his wife do not speak. They live two parallel lives that never meet. I think a lot of couples that seem to be happy together live in silence, living together but alone" (Michal Bat-Adam). *The Appointed* (1990), by Daniel Wachsmann, set in the Galilee, is based on Baba Sali, a messianic figure chosen to lead an ancient religious sect. Expressionist in style, the film shows how obsessive love threatens religious conventions. "In *The Appointed* the religious becomes spiritually corrupted. It doesn't allow for a passionate human relationship to exist because of the fear as to what that may lead to. Religion is not a democratic thing, it is power, and the use of power to manipulate people. It's a theater developed thousands of years ago" (Daniel Wachsmann). Eli Cohen's *The Quarrel*, made in Canada in 1992, is about religion and the Holocaust. Two Holocaust survivors meet in a park after many years of lost contact. Their renewed relationship develops into an argument as to whether God can exist in light of the Holocaust. "*The Quarrel* deals with the fundamental conflict in Israel . . . the religious versus the humanistic or secular" (Eli Cohen).

Immigration and Ethnicity

Israel has been settled by people from just about every country in the world. Ashkenazi, Western European Jews, and Sephardim, Jews from Spanish and Arabic countries, are the two mega-ethnic groups. Discrimination against the Sephardim, seen as less cultured, less intellectual, was common. In fact, a movement in Israeli cinema called the "Bourekas" centered on ethnic melodramas and comedies. While most "Bourekas" films were lightweight entertainments, intended to be antiestablishment, commercial successes, some told deeper stories.

Academy Award nominee Ephraim Kishon's *Sallah* (1964) was a box office hit, selling 1,180,000 tickets in Israel and running for six months at the Little Carnegie in New York. An acerbic satire on Israeli institutions, unemployment, and inadequate housing, Sallah, a Sephardic immigrant, takes on the Ashkenazi establishment. An Ashkenazi Jew takes on the establishment in the popular Menachem Golan comedy, *Lupo* (1970), which sold 820,000 tickets in Israel.

The "Bourekas" filmmakers were not the only ones concerned with the immigrant experience. Moshe Mizrachi's *House on Chelouche Street* (1973), nominated for an Academy Award, is about a European immigrant family seeking a better life during the British occupation in 1946. Rom Loevy's *Indiani in the Sun* (1981) is a drama about ethnic prejudice in the military. Eitan Green's *American Citizen* (1992) is a different kind of immigration story. An aging and injured American basketball player trying to revive his career comes to play for an Israeli team. His experiences typify an immigrant's, as one who is at once desired and distrusted. "Asher Levy, a film critic and friend, wrote that all my films deal with foreigners in Israel. I told him that the main dilemma in my films is the fight between the body and the soul. All my characters are fighting against their bodies" (Eitan Green).

The Holocaust

Before the trial of Nazi war criminal Adolf Eichmann in 1960, Israelis held a negative view of the Holocaust and all that it represented about the Jewish Diaspora. They saw Holocaust survivors, except for active resisters, such as those who fought in the Warsaw Ghetto, as weaklings who could be herded like cattle to the Nazi slaughterhouse. Survivors were inappropriate role models for Israelis. The characteristics needed for the establishment and survival of the State of Israel were strength and bravery, not mere survival.

Academy Award winner *Madame Rosa* (1977), by Moshe Mizrachi, made and set in France, stars Simone Signoret. Madame Rosa's Holocaust background is brought forth through her relationship with a young Arab boy. "Adolescents and women have been central to my work, probably because they are the last two oppressed categories of human beings. . . . the tension between adolescents and women is the way I dealt with the Holocaust" (Moshe Mizrachi). Set in 1950s Tel Aviv, Ilan Moshenson's neorealist film, *The Wooden Gun* (1979), tells the story of two rival gangs whose ideas of heroism, nationalism, and friendship raise hard questions about Israeli society. These Israeli-born youths are separated, psychologically, from the Holocaust that looms ominously in their European parents' background. In Orna Ben-Dor's *Newland* (1994), a late 1940s resettlement camp is filled with archetypal Jewish immigrants, including one woman who burns the number off her arm to avoid having others call her a Nazi whore.

Self-Reflexivity and the Israeli New Wave

An indigenous Israeli cinema, beginning as it does in the early 1960s, could not help but be influenced by the French New Wave. A group of emerging Israeli filmmakers called Kayitz (in Hebrew, "summer") made films prompted by artistic rather then commercial success. The beginning of the Kayitz can be seen in the films of Uri Zohar, an irreverent comedian. Zohar's *Hole in the Moon* (1965) casts a critical look at Israeli society and values as expressed through a lens of existential alienation. The central protagonist in Zohar's *Peeping Toms* (1972) is a self-indulgent, overaged beachboy, the antithesis of the Israeli self-sacrificing hero. *Save the Lifeguard* (1977) is a later, more tempered version of his "beach" films.

The Kayitz filmmakers changed the focus of the Israeli film, pushing it toward a national cinema that was introspective and self-critical while being witty, inventive, and artistic. The self-reflexive technique, borrowed from Jean-Luc Godard and other New Wave filmmakers, is characteristic of many Kayitz films, as are images of alienation, existentialism, and Marxist ideology. Some of them can be seen as precursors to the "Apocalyptic" cinema of the 1990s.

Boys and Girls (1969), by Judd Ne'eman, one of the Kayitz leaders, is an experimental narrative, composed of three half-hour films, dealing with sexual desire. Of "The Dress," "The Letter," and "Thomas Returns," the last is reminiscent of Godard's *Masculin Feminin* (1966) and is the most challenging. All three experiment with editing strategies, visual construction, narrative form, and improvisational-like acting common to the New Wave films of the early 1960s. In Baruch Dienar's *Take Two* (1972), a filmmaker whose crass commercials and documentaries come under relentless criticism from his female American assistant is an early example of self-reflexive filmmaking in Israel. David Perlov's *The Pill* (1972) is an experimental comedy whose facile construction masks a complex technical and aesthetic tour de force, combining the playfulness and irreverence of the Dadaists with the existentialism and social criticism of the New Wave. A combination of Italian neorealism and French New Wave, *Light out of Nowhere* (1973), by Nissim Dayan, is a story of alienated youth trapped in a world of poverty and crime. But *Where Is Daniel Wax* (1974), by Avram Heffner, explores the mundane actions of everyday life against the heightened drama of fiction, dreams, and fantasies. "Until *Daniel Wax* dialogue in Israeli film used a formal, not a spoken, Hebrew. I was criticized for using a 'vulgar' language in the film" (Avram Heffner). Dan Wolman's *My Michael* (1975), based on Amos Oz's famed novel, is a poetic film about loneliness and forbidden fantasies as a young married woman's unfulfilling bourgeois life leads to erotic dreams centered on two Arab boys she knew from childhood. *Rockinghorse* (1978), by Yaki Yosha, a self-reflexive film within a film, is the story of an Israeli artist whose first film is about his parents' European background in the early years of Hitler's campaign against the Jews. Michal Bat-Adam's *Moments* (1979), a bold story about two women who fall in love, is told largely through images, glances, and nonverbal gestures, common elements in Bat-Adam's films.

> *Moments* was a reaction to the kind of liberated women I met in France who lived from their heads . . . disconnected from their whole being . . . with no jealousy, and I was disturbed. So I wrote a love story between two women who are not lesbians. Feminist journalists said that by not having my characters have sex I didn't go far enough. I said that I went one step further. When in one scene we [Bat-Adam plays one of the two women] share the same bed with my boyfriend I make love to him and he makes love to her. Everything seems fine, but there is jealousy. So the story is about how we lie to ourselves and forget to listen to our instincts. In the end, these two girls have a relationship through letters, which is somehow more intimate. (Michal Bat-Adam)

Hide and Seek (1980), by Dan Wolman, brings his unique poetic aesthetic to a story about adolescence, set in Jerusalem during the British Mandate. Assi Dayan's *King for a Day* (1980) is a comedy about a poor hotel doorman's deception to convince his daughter, who has been raised in America, that he is economically successful. *The Thin Line* (1981), by Michal Bat-Adam, engages in a complex intertextual weave with Eli Cohen's *The Summer of Aviya* and Bat-Adam's own *Aya: An Imagined Autobiography.* They all deal with a young child's life with her mentally ill mother. *The End of Milton Levy* (1981), by Nissim Dayan, a combination of neorealism and New Wave aesthetics, is an exploration of the temptations of crime, drugs, and sex as means for escaping, or coping with, alienation and poverty. Amos Gutmann's *Drifting* (1983), *Bar 51* (1986), and Berlin Film Festival Special Prize of the Jury winner, *Amazing Grace* (1992), are personal explorations of homosexuality that defy the cliche and construct unique, poetic narratives, matching beauty with trauma. In a complex game of shifting points of view, Renen Schorr's *Late Summer Blues* (1987) chronicles events in the lives of several Israeli students, just before their induction into the military, as they come to terms with their own identities and feelings about their society. In Yitzhak Tzepel Yeshurun's *Greenfields* (1989), a voice-over narrator fictionalizes archetypal Israeli responses to the "intifada." With the killing of an Arab, the voice-over becomes the director's, raising questions about the story we have just seen. This sudden shift into self-reflexivity is much more radical than what occurs in *Siege*. *The Revenge of Itzik Finkelstein* (1993), by Enrique Rotenberg, one in a growing number of films pushing away from the dominant realist aesthetic, is a satirical fantasy about a forty-year-old loser's revenge on those who wronged him. With divine intervention from a Christian monk, our hero, no longer a schlemiel, acquires love and financial success.

The Apocalypse and Other "Isms"

Israel has not been immune to postmodernism. Since the Lebanon war there has been a marked movement to explore film styles other than realism, and to question fundamental paradigms about the Arabs, religion, the Holocaust, language, the military, sex, drugs, and so forth. Fantasy, Expressionism, and surrealism have joined a new sensibility that has arisen among some filmmakers; Judd Ne'eman calls it the "Apocalyptic." He writes: "Coupling ancient Near Eastern myths with Holocaust guilt and nihilist zeitgeist builds up the apocalyptic mode that runs through the Israeli cinema of the 1990s. Israeli cinema in this stage is updated in both its thematics and aesthetics, and emulates postmodern trends in European and American cinema as well as contemporary Israeli art."[1]

Eitan Green's *When Night Falls* (1985) utilizes polyglot dialogue, characteristic of many "Apocalyptic" films, shifting between English, German, and Hebrew. Giora lives in the night, alienated from his culture, lost in dark spaces whose dimensions and shapes are undefined. He appears in daylight only with his parents, in whose past looms the Holocaust. In Assi Dayan's *Life According to Agfa* (1992), references to *Casablanca* and other American films abound, but the main pretexts seem to be Marat Sade's *120 Days* *of Sodom* and Dante's *Inferno.* The events taking place during one long night at a pub named Barbie's, a word play on the name of a mental institution, and on Bedlam, depict a society gone mad. All of Israel's icons, its military, police, doctors, businessmen, artists, have been demonized. Cataclysm is the only possible end. "This is the end of the Zionist Utopia. Its really the Lebanonization of the Israeli society—factions—factions—factions, each having its own interest, and this is a chaotic situation. So the outcome must be very aggressive" (Judd Ne'eman). In *Tel-Aviv Stories* (1992), by Ayelet Menanemi and Nirit Yaren, three short films, united by their Tel Aviv setting, ignore the city as space and architecture to focus on women in a state of isolation and alienation. In Eytan Fox's *Song of the Siren* (1994), Talila, an audacious, funny, and sexy advertising executive, contemptuous of macho values, seeks love, during the Gulf War. *Lovesick on Nana Street* (1995), by Savi Gabizon, is about sexual fantasy, pornography, obsession, and the sanity of the insane as one man pursues his fantasy woman only to discover his real love is a patient in a mental institution. The film vacillates between a realist and Expressionist style, each mirroring the protagonists' psychological confusion between reality and fantasy.

Twelve Filmmakers, Twelve Films, Twelve Interviews

> I think that when Israeli cinema is at its best it is in films like David Perlov's *Diary.*
>
> —Igal Burstyn

Perlov's *Diary* (1973 to 1983), one of the most remarkable works in Israeli film history, was first broadcast by Channel 4 in England as six one-hour programs. Perlov narrates his *Diary* in English. The film moves between Brazil, France, and Israel, the countries that he has lived in and have shaped his life. Epic in proportion and content, *Diary* is an exploration of forms of narrative strategy, sound/image construction, and visual style and technique.

> I don't know if it's psychological, but in autobiography, and diary, the camera is the harshest most aggressive way of documenting life. Life is very chaotic. Things happen without your will. But when you are on the Steenbeck [editor] everything happens according to your will. Of course, when you are filming it isn't all chaos, you have your preferences, your choices, the way you see. But, you don't reveal everything. On the contrary, I want the public, my visitors, to

> come into my salon, but not my bedroom. I keep myself well dressed, not naked. (David Perlov)

The best way to describe *Diary* is as a poetic narrative. In Part 1, Perlov buys a camera, shoots without sound, then with sound. His hesitant explorations of how to make his diary is an experimentation in how to see with a camera. Perlov's voice-over keeps us rooted in what we are seeing and hearing. The interior of his house, the view from his windows, and images of his family are like the first tentative steps of a child. Only through television can the outside enter his world, and what we see are images of the Yom Kippur war of October 1973, a cruel sight to be born into. The assault of these images propel him into the streets and landscapes of his world.

Diary utilizes news images from television, sync sound interviews of family and friends, still photos, color, black and white, travel footage, verite-like scenes, neorealist-like scenes of conflict that could have come from a John Cassevetes or Mike Leigh film, images of Picassos, Rembrandts, Goyas, and the Lebanon war, Prokofiev's "Alexander Nevsky," Israeli and Brazilian music, and sounds from the exterior spaces of places and the interior space of Perlov's mind. "I want to film the everyday, the commonplace, but I keep falling into traps, into plots and dramas . . . as in life itself" (from Part 3).

Streets Of Yesterday (1989), by Judd Ne'eman, wonderfully shot by Miklos Jancso Jr., was made for $1 million. Raz, an Israeli law student, befriends and eventually betrays the Arab law student, Amin, a member of a terrorist group. When Raz witnesses the Shin Bet gun down, instead of arresting Amin, he becomes so enraged by this betrayal that he tackles and bludgeons to death one of the Israeli agents and then seeks sanctuary among a group of Palestinians in Germany. Also in the throes of guilt and betrayal is the German, Konrad, who seeks redemption for his country's Nazi past by betraying the Palestinians to Luria, an Israeli diplomat. All of the plot twistings and betrayals culminate in the last scene, which takes place at the stadium Hitler built for the 1936 Olympics. There Raz, with several Palestinian friends, gives Luria a tape made by Konrad, proving that Shalit, the Shin Bet agent, killed the Israeli foreign minister and framed the Palestinians in an attempt to prevent peace talks with the PLO. Shalit kills Luria and takes the tape. With the hubris of an infallible hero, he walks through the gathering group of Palestinians, gun held high, one bullet shot in the air. He cannot conceive that a group of Arabs could stop him. They do. Raz retrieves the tape and the film ends.

An effective music score by Garry Hughes accompanies a very complex narrative construction with numerous flashbacks, leaving us uncertain as to location and/or time as we enter a new scene. The swirling events of intrigue and betrayal experienced by the characters are thus also felt by the viewer.

> This was, politically, the most radical film I ever made, coupling Zionist ideology with the Holocaust. The film was shot in Jerusalem and West Berlin, in English. Channel 4 in England sponsored the film. When they approved the script I gave it to the Israeli fund for additional support. They said no, several times. They said I made this film before [*Fellow Travelers* deals with very similar themes] and that script was no good. I said that, if it's good enough for Channel 4 why won't you support it?
>
> The *Streets Of Yesterday* is about the assassination of the Israeli Foreign Minister who begins negotiations with the PLO. When I went to Israeli television with it they said it was science fiction, something like this could never happen in Israel. After the assassination of Rabin I went to them again they said it is irrelevant now because it happened. (Judd Ne'eman)

Produced for $450,000, Eli Cohen's *The Summer of Aviya* (1989), shot by David Gurfinkel, won the Berlin Film Festival Silver Bear, Best Film at the Valladolid Film Festival, Best Film at the Belgrade Film Festival, and Best Director at the San Remo Film Festival.

Set in 1951, the story is told from the point-of-view of a voice-over flashback of an adult Aviya. Images, dialogue, and plot elements that reference the Holocaust abound. Aviya's mother, Henya, was a partisan fighter who now walks the line between sanity and madness. Only ten years old, Aviya is forced to deal with Henya's unpredictable behavior as well as the Israelis' taunting and prejudice toward both of them. Aviya searches for her missing father. She keeps several old photos of her father that she has stolen from Henya hidden, like a shrine, under her pillow. Aviya imagines that Max Gantz, whose family has just arrived in town, is her missing father. Echoing what the Nazis did to her, Henya cuts off all of Aviya's lice-laden hair. Henya hears train whistles in her head. She has an obsession with food. She hides from the townspeople, closing the window blinds and locking her door when she believes they are interfering in her life. Listening from their front porch to music coming from a dance to which they were not invited, Henya teaches Aviya to waltz. As their dancing becomes frenzied, Aviya breaks away, leaving Henya to waltz alone. The scene, a metaphor for the effect of the Holocaust on Henya, moves from her fond memories of dancing with her husband, to the joy of dancing with Aviya, to the insanity that comes from utter despair and loneliness. "This was a very Southern scene. She was hot. She was on the porch and there was the music. She remembers another time. It was, for me, Tennessee Williams" (Eli Cohen).

In Avram Heffner's *The Last Love Affair of Laura Adler* (1990), produced for $300,000, Rita Zohar stars as the queen of a small Yiddish theater company. She is loved by her colleagues and audience. Laura's offstage life strangely mirrors the play she is rehearsing and performing. Enamored by Laura's talent, a South African filmmaker, whom everyone calls "the American," asks her to star in a film based on a story by Yiddish writer, I. B. Singer. When her fellow actors take her to a bar to celebrate her birthday, she meets a strange man, who later comes to see her performance. They spend a silent, but passionate night in a hotel room. When she dies onstage, from cancer, she is wearing the same wedding dress she wore when she was with the man at the hotel. It is a dress similar to that worn by a character in a Yiddish film the "American" takes her to see, to which Laura, referring to the Holocaust, to the Yiddish language, to a dead world that she is also a part, says, "They're dead. All the people over there are dead, no one is left." David Gurfinkel's cinematography is reminiscent of Bergman's *Silence,* and *Cries and Whispers,* in the scenes in which Becky, Laura's friend, nurses her as her illness progresses. The dark theater, the light stage, the dark rainy nights, and the blindingly bright days are analogies to the cycle of life and death that is the Yiddish theater, the Yiddish language, and Laura Adler.

> *Laura Adler* takes place in two worlds, the interior world of the Yiddish theater, and the exterior world of a Hebrew speaking Israel. The film is about a group of people unintegrated into the world they live in. When excited they revert to Yiddish. Most people in Israel don't know Yiddish. Yiddish belongs in their cellar.
>
> Though the scene is not in the final film, I got the idea for the movie from Thomas Mann's *The Black Swan.* Laura comes back from having spent the night with the man to find her friend, Becky, waiting up, dead worried because she hadn't been home all night. She asks: "What happened?" Laura tells her that she was with him; to which she responds: "You must be crazy." Laura says: "No, life goes backwards. I'm becoming young again." She says in Yiddish the word for menstruation . . . which is "time," she says: "[M]y time has come back." What happens is that she has symptoms from her cancer. (Avram Heffner)

Blind Man's Bluff (aka *Dummy in a Circle*), made by Aner Preminger in 1993 for $400,000, explores the psychology of a child of a hypochondriac Holocaust survivor. Mickey's mother has dominated her life and pushed her to become a concert pianist. Seeking freedom from the tensions at home, she rents an apartment. Becoming a voyeur in her new world, she watches, out of her window, her prostitute neighbor serving her clients. Her desire for love leads to a one-night stand with another neighbor, Amnon. On the night of

Mickey's recital, her mother has a heart attack. Mickey rushes to the hospital just in time for her mother to say "You're really naughty my child" before she dies.

> Thematically, this film is about a person growing up to define herself as separate from her parents. Most musicians say they had a parent pushing them. This is the paradox, if her mother doesn't push her she'll never get anywhere as a musician, but her mother is also her obstacle. She doesn't know if she wants to play for herself, or just for her mother. So her objective is to kill her mother, not physically, she's very caring and worried about her mother's health. No, she wants to kill her internal mother so she can be free, be herself, be a woman who can share experiences with a man. What the mother wants is to kill Mickey the grownup. She wants to freeze time when Mickey was a little girl with pigtails. (Aner Preminger)

Preminger inventively uses space, color, and music to mirror Mickey's psychological state. For example, the night Amnon first enters Mickey's apartment she turns on the light only to have the fuse blow. Amnon brings her a candle. The next day, while she showers, he repairs the fuse box. Metaphorically, Amnon is the new light of freedom in Mickey's life. That this idea is combined with the rebirth image of her cleansing enhances the effect Amnon will have on her.

The Kastner Trial (1994), by Uri Barbash, a brilliant courtroom drama, is based on the renowned case *The State of Israel v. Malchiel Greenwald.* Set in 1954, Rezso Kastner, one of the leaders of the Jewish community in 1944 Nazi-controlled Hungary, is accused by the rightwinger Greenwald of having been a Nazi collaborator. He decides to sue Greenwald for libel. Greenwald's lawyer, Tamir, uses the trial to indict Kastner and the ruling Mapai Party, of which Kastner is a member seeking political advancement. By indirect and direct accusations, Tamir, reflecting the prevailing Israeli attitude, charges Holocaust survivors with their Diaspora mentality, with being whores or collaborators. Tamir's position is that Kastner and his fellow collaborators betrayed the Jews in order to save their own lives; otherwise the Jews would never have allowed themselves to be herded to the death camps without active resistance.

> I have been very much influenced by John Cassevetes. The best film I've ever seen is his *Woman under the Influence.* For me the actor is the image. The cinematic language is always born during or after working with the actors.
>
> I work very closely with my composer. In *Kastner* the music is very important because it is a very tough political story that takes place in closed rooms. . . .

> very claustrophobic, and the music gives it another dimension. The music was written by a new immigrant from Russia, Zlata Razdolina. No Israeli musician could have written the music she wrote because she came from the landscape where Kastner's story took place.
>
> *Kastner* is not so much about the Holocaust as it is about how the Holocaust has influenced us as a society. (Uri Barbash)

Aya: An Imagined Autobiography (1994), by Michal Bat-Adam, produced for $430,000, is a self-reflexive work of visual and audio richness and of narrative complexity. The narrative strategy relies on the poetic device of "parallelism," in which sounds and/or images refer back to earlier moments in the film, functioning as memory triggers for the audience, providing a construction analogous to the psychology of the film's main character, Aya.

Aya, affected by her manic depressive mother and weak but loving father, attempts to understand her life by making an autobiographic film. Her interactions with the actors trigger flashback memories, dreams, and imaginings, which in turn become segments in her film. Changes in time are often presented achronologically and without conventional cinematic marks.

The narrative strategy is presented early. Having wrapped up a shoot, Aya, leaving the studio, walks down a long corridor past a room from which we hear the sound of an audiotape in a fast rewind mode. As she enters an elevator, there is a sudden audio cut to Mendelssohn's violin concerto (Aya is also a violinist). She stares at the man who is the only other person in the elevator. When the elevator suddenly stops, so does the music. Aya becomes claustrophobic and panics. Cut. Medium close-up of Aya, the only passenger on a bus. The Mendelssohn is back. She asks the bus driver to stop, but he won't. She yells "stop." Cut. Medium close-up of Aya on a crowded bus. The music is gone. The first bus shot seems to indicate that Aya is awakening from a dream about the elevator. However, the next cut, to the full bus, signifies that the first bus shot was a dream or memory. Is the elevator a dream or memory within a dream or memory? It isn't until a parallelism is formed by two later scenes—one on a bus with Aya's mother, the other in a hospital where one of the doctors is the man seen on the elevator—that these earlier segments make sense as being displaced memories or dreams. The tapestry of parallelisms formed by the many threads that weave through the film destroys narrative causality, creating endless interpretations. This is what an artistic text is. This is what Bat-Adam does. "I wanted to tell a story about having all these memories with you every moment of your life. This is why the story is told achronologically. There is no past, no present. Everything in your past is present in a second. That the film is called *Imaginary* is because many things that never really happened, happened. They are in my dreams, my thoughts, they happened so many times in my head that they became part of my biography" (Michal Bat-Adam).

Scar (1995), by Haim Bouzaglo, is a French/Israeli coproduction of $1,200,000. A metaphor for modern Israel, the film begins with a written text that reads, "Come on in. This is the house of your dreams where all wishes come true. All in the palm of your hand." The "palm of your hand" refers to money. Set next to an old railroad station is "The Warehouse of your dreams." "Warehouse" should be read as "Whorehouse" where you can buy a sexual partner, mother, father, sister, brother, a friend to confide in, a child to read a bedtime story to, anyone you want. Humanity has been reduced to a consumer's marketplace. The story of this starkly beautiful black-and-white Expressionist film, photographed by Oren Shmukler, centers on an anonymous sexual encounter between a man and woman, neither of whom is given a name, but who develop an obsessive need to, once again, find one another.

Whether in France, Italy, Germany, or Israel, we do not know the location of the "warehouse" or any other site. There is no country, time, place, or language, as everyone seems to understand everyone whether they converse in French, German, Italian, or Hebrew.

> *Scar* is an homage to many films, to Hitchcock, to *The Cabinet of Dr. Caligari.*
> It is a dark comedy.
> When in the dark a woman or man touch one another they touch all women and all men. The film is about the search. When you find what you're looking for and the search is over you need to replace the search with another. If you don't find what you are searching for you begin to invent your object of desire, creating another that represents it. In the end, when they find each other, it is a false happiness, like a Hollywood movie, not real. (Haim Bouzaglo)

As Tears Go By (1996), by Eitan Green, is a tender comedy mixing realism with fantasy. The film has the feel that it comes from an earlier age yet employs a very modern cinematic discourse. It is the story of a young man, Yitzhak, who cries without provocation. He works for his father, whose business is to provide entertainment at parties, weddings, and bar mitzvahs. Nothing Yitzhak does meets with success. His every failure causes exaggerated glucose tears to streak his face. It is no time for tears when his father feigns a heart attack, forcing Yitzhak to remain calm while driving him to the hospital. Now, he can no longer cry, even when his father dies, even at the funeral. When he stops crying, he becomes bolder, takes over his father's business, and wins the love of a beautiful woman. Yitzhak's new success leads, once again, to tears, but of a new type—tears that refer to memories of the past and the joys of the present.

> I am very much influenced by Truffaut, Bresson, and Ozu. I'm really committed to Realism. I'm after the truthful moments. A character can cry for no reason, but we can believe it affects his personality, and that when he stops crying his personality changes. All my movies deal with characters too sensitive for this society. When they try to meet society's demands they get hurt. The fight between the individual and society is one of the main themes that runs throughout the Israeli culture. (Eitan Green)

Women (1996), by Moshe Mizrachi, set in Jerusalem, is filled with religious exegesis centered on the problem of Rebecca, the beautiful loving wife of Rabbi Jacob, who after ten years of marriage is still unable to bear him a child. Though the Torah permits a divorce in this situation, Rebecca decides that her beloved cousin, Sultana, should marry Jacob and become his second wife to give birth to his child. As the plot develops, Mizrachi uses a "Greek chorus" in the form of a troupe of musicians whose songs, performed at various ceremonies, are public commentaries on Rebecca and Rabbi Jacob. While Rebecca's drama of growing jealousy and rage unfolds, Jacob engages in a variety of religious discussions with other men in the community. When both Rebecca and Sultana leave his home, Jacob is told that God is testing his love. In the end Rebecca and the pregnant Sultana return, happily, to Jacob's home. "I feel pulled toward stories set a long time ago, like *Women*, stories set in Jerusalem. I want to show how people lived, thought, dressed, ate, and behaved, and what songs they sang. The colors in *Women* are central to expressing the story through image, the locations, the lighting, the colors and materials of their dress, what was on the walls, and their furniture. I want to create the sensuality of that life" (Moshe Mizrachi).

In Daniel Wachsmann's *Song of the Galilee* (1997), what seems to be a documentary about a filmmaker investigating the death, called a suicide, of a poet by the police, becomes a drama about secret religious cults, mysterious passages under Mount Meiron, hidden treasure, and mystical as well as political power. *Song of the Galilee* has all the mystery and politics, and even shares some of the narrative strategies, of Peter Wollen and Laura Mulvey's *Sisters* and Jean-Jacques Annaud's *The Name of the Rose*. It is about the very language of mysteries, the capturing of sounds and images, pulling them out of their time and space, a language that serves as a metaphor for the kabbalistic mysteries of the ancient Jewish mystics. The film treats the landscape as a character in the drama, reminiscent of Peter Weir's *Picnic at Hanging Rock.*

> When I moved to the Galilee it was the first time I felt connected to this country. Suddenly the landscape came to mean the legends, myths, heroes, of the Second Temple. When I drive in the Galilee I imagine dramas and stories going on there. *The Song of Galilee* is about the craziness of the myths, the land, the border between reality and the mystical. My task was to take the mythological and bring it to an aesthetic, to deal with the relationship between light and dark, color, and space. (Daniel Wachsmann)

Everlasting Joy (1997), by Igal Burstyn, was shot in twenty-two days on a budget of $350,000. This movie is an everlasting joy. It is an inventive, funny, thought-provoking, wispy film based on the premise that the seventeenth-century Jewish philosopher Baruch Spinoza lives in modern-day Tel Aviv. A voice-over narrator, accompanied by Scarlatti harpsichord music, relates the story of Spinoza—his trials among other Jewish thinkers and the political situations he faced living in Holland—as we see the modern Spinoza have analogous experiences in Tel Aviv.

Spinoza lives in a small apartment. He speaks and writes philosophically about love and responsibility. His neighbors, seen through their windows, as in Hitchcock's *Rear Window,* represent various types of Israelis and have cordial relations with him. Though modern-day Spinoza is in love with Clara-Marie, as was the seventeenth-century Spinoza, he upsets her by saying that excessive love does not bring joy. She leaves him to marry Dr. Direk Kerkrinck, Spinoza's antagonist. In the end, Spinoza learns to speak in simple words, transforming into a modern suit-and-tie Jew who wins back his beloved Clara.

> When you talk about Spinoza's poetics, what seems to me to be his crime today is not that he didn't believe in angels, or in a bearded God, but that he is difficult to understand, and insists on being difficult. This was what I had in mind when writing the script. But there is also a tradition in me, represented by Spinoza, that values the intellectual, the wisdom of Spinoza, Freud, Kafka, etc., to which I feel very attached and would like to revive. I don't care about God so much, but I do care about Kafka. (Igal Burstyn)

Conclusion

> The Israeli cinema should show this crazy collection of languages, people, races, living together without a common background. This heterogeneous society should create a heterogeneous cinema. We need to be, like amateur photographers, taking snapshots of our family to make sure they exist, to see what they really look like, then we'll have a heterogeneous cinema.
>
> —Igal Burstyn

If Avram Heffner correctly identifies a deep-seated Holocaust psychology at the core of Israeli thought, its presence has not prevented Israeli filmmakers from producing a creative and powerful national cinema. It may well be that this Holocaust "mentality" megatheme is an indispensable characteristic of Israeli film. Even if Heffner's call for a new passport image were to be heeded, it will still carry the legacy of the Holocaust, for any photograph, by its very nature, is a mirror reflecting the past.

Notes

I would like to acknowledge each of the following, who were extremely helpful in providing me with information and/or support for this chapter: the Information Division of the Israel Foreign Ministry in Jerusalem; interviews (in April 1997) with filmmakers David Perlov, Avram Heffner, Judd Ne'eman, Daniel Wachsmann, Aner Preminger, Moshe Mizrachi, Michal Bat-Adam, Eitan Green, Igal Burstyn, Eli Cohen, Haim Bouzaglo, and Uri Barbash; also Tom Friedmann, reader and editor; Michal Friedman, chair, Department of Film and Television, Tel Aviv University; Livio Carmeli, film archivist, Tel Aviv University; Eva Shapiro, reader and editor; and Ilan Avisar, professor of film, Tel Aviv University.

1. Judd Ne'eman, "The Empty Tomb in the Postmodern Pyramid: Israeli Cinema in the 1980s and 1990s" (paper presented at conference "Documenting Israel," Harvard University, May 1993).

7

Iran

Hamid Naficy

Silent Period (1900–1930)

In a recent interview in Paris, a journalist asked renowned Iranian filmmaker Abbas Kiarostami to evaluate the status of the current cinema from Iran. With a mixture of pride and satisfaction, he answered: "I think of it as one of Iran's major exports: in addition to pistachio nuts, carpets, and oil, now there's the cinema."[1] It has not always been so, even though Iranian cinema is one of the oldest and most active in the Middle East and the Third World. Until 1930, when the first Iranian feature fiction was released, only nonfiction films had been produced. Before World War I, most documentaries were sponsored and viewed by the Qajar royal family and the upper classes, thus creating a model of a private, sponsored cinema. The films themselves were "primitive" in that narratologically they were simple, consisting of footage of news events, actualities, and spectacles involving the royalty, usually filmed in long shot. Although occasionally documentary productions are mentioned, this chapter is centrally concerned with feature fictional films.

Despite a general dearth of reliable information, thanks to the travel diary of Muzzafared-Din Shah Qajar, we can pinpoint with rare accuracy the circumstances of the first Iranian nonfiction footage. The date is August 18, 1900; the location is the city of Ostend, Belgium; the occasion is Muzzafared-Din Shah's review of a "flower parade," during which some fifty floats laden with women pass by the shah, throwing bouquets of flowers at him, which he joyously returns; the cinematographer is Mirza Ebrahim Khan Akkasbashi, the official court photographer;[2] and the camera he used is a Gaumont, which he had purchased on order of the shah a few weeks earlier in Paris.[3] In Iran, Akkasbashi filmed Moharram Shii religious ceremonies and other spectacles such as the lions in the royal zoo. These films along with French and Russian newsreels were shown at the houses of dignitaries and the royal palace during wedding, birth, and circumcision ceremonies.[4]

Probably the first public cinema in Iran was the noncommercial Soleil (meaning sun) Cinema, set up in 1900 by Roman Catholic missionaries in Tabriz.[5] But it was Ebrahim Khan Sahhafbashi-e Tehrani, an entrepreneur, a constitutionalist, and an antique dealer, who first created the model for a public commercial cinema, although his efforts were short lived. He first showed films he had purchased in Europe in the backyard of his shop, and later, in November–December 1904, he opened the first public commercial cinema in Tehran, on Cheragh Gaz Street. His cinema was shut down after only one month, however, due to either religious proscription by a powerful Shii leader, Shaikh Fazlolah Nuri, or royal displeasure with Sahhafbashi's proconstitution activities against despotic monarchy.[6]

Similar to many other countries, ethnic and religious minorities contributed greatly to the development of a nascent film industry in Iran. In addition, a number of the film pioneers were educated abroad and were connected to the ruling elite.[7] Mehdi Rusi Khan, for example, had a mixed English and Russian background and was also an ardent supporter of the reactionary Mohammad Ali Shah. He showed Pathé newsreels and comedies in the shah's harem and in the homes of the nobles and, beginning in 1908, on a regular basis in two public cinemas in Tehran. Another early pioneer was Khan Baba Mo'tazedi, who was trained at the Gaumont cinematographic factory in Paris. In 1916 he established the first public cinema for women in Iran (called "Korshid," meaning sun) and made principally newsreel films that were screened in public theaters before feature films.

Factors that hampered the emergence of a more robust local film industry during this period include the private, noncommercial model put into place early on, a lack of necessary economic and technical infrastructures (such as bank loans, film labs, acting and technical schools, and supportive regulations), and the general social conditions and cultural attitudes about cinema. The latter included a high rate of illiteracy, a belief that film viewing would inevitably lead to moral corruption, and religious taboos against cinema-going and acting, especially for women. Calls for strict censorship of imports were not uncommon.

The first fictional feature film, *Abi va Rabi* (1930, Abi and Rabi) was directed by an Armenian-Iranian named Avanes Ohanian and filmed by Mo'tazedi. This silent, black-and-white comedy, depicted the adventures of two men, one tall and one short. No copy of it exists. Ohanian's next work, *Haji Aqa, Aktor-e Sinema* (1932, Haji, the Movie Actor), is a technically sophisticated and delightful film that in a self-reflexive manner deals head-on with the moral corruption charge against cinema. In it a traditional religious man (Haji) is transformed from one who hates cinema to one who proclaims its values in improving the lot of Iranians.

Sound Period (1930–1960)

By the early 1930s, foreign sound newsreels (Paramount, Metro, Movietone, UFA, and Pathé) were playing on Iranian screens. Local cinema benefited not only from interethnicity, immigration, and Western education of the filmmakers but also from transnational interchanges between Iran and its neighboring countries. The first Persian language sound newsreel, shown in 1932, was apparently filmed by a Turkish photographer in Turkey, showing Iranian Prime Minister Mohammad Ali Foroughi, conferring with Kemal Ataturk and delivering a brief speech in Persian. The film astonished audiences unaccustomed to hearing Persian spoken in the movies.

The first Persian language sound feature, *Dokhtar-e Lor* (1933, The Lor Girl), was directed in India by Ardeshir Irani and written by the Iranian poet Abdolhosain Sepenta. The film, a melodramatic love story that also extolled Iranian nationalism under Reza Shah Pahlavi, was highly successful with Iranians, causing Sepenta to make for export to Iran a succession of films based on Iranian folktales and epics. Esma'il Kushan, working in Turkey after World War II, established another milestone, by dubbing foreign films into Persian. Soon he made the first Persian talkie inside Iran, *Tufan-e Zendegi* (1948, The Tempest of Life), and a year later directed the more polished *Zendani-e Amir* (1949, Prisoner of the Emir). The success of Kushan's films and his Pars Film studio (which survived the revolution of 1978–79) caused a proliferation of local film studios. This rejuvenation of the local industry must be seen in the context of the stifling censorship of the early 1940s that had blocked the distribution of many foreign films. In 1940, for example, nearly 253 films were censored, 159 of which came from the United States, 32 from Germany, 31 from France, and 19 from England. Censorship was imposed on films showing revolutions, riots, and internal disorders, as well as indecency, pacifism, and anti-Islamic attitudes.[8]

The global ascendancy of the United States in the wake of World War II had a profound impact on the documentary field in Iran. As part of the U.S. policy to win the hearts and the minds of noncommunist countries, especially those like Iran that bordered the Soviet Union, the United States Information Agency began an ambitious project of film screening and production in these countries. Under its auspices, a group of American professors and filmmakers (called the Syracuse University team) went to Iran in the early 1950s, where they set up 16-mm film processing labs and trained Iranians to make documentary and educational films and a pro-shah, pro-American newsreel called *Akhbar-e Iran* (Iran News), 402 issues of which were shown in public cinemas and by mobile film units throughout the country.[9] A number of filmmakers who subsequently made a name in cinema were trained by the Syracuse team and by the film unit that it created at the Fine Arts Administration (later renamed Ministry of Culture and Arts [MCA], and still later renamed Ministry of Culture and Islamic Guidance [MCIG]).

New Wave Period (1960–1978)

The decade of the 1960s was a tumultuous one for Iran, as for many other countries in the world, bringing with it both the freedom that petro-dollars and globalization of capital promised and the restrictions that they actually produced in non-Western countries. A public protest in 1963, spearheaded by Ayatollah Ruhollah Khomeini, was violently crushed by the security forces, and Khomeini was exiled to Turkey and Iraq—a move that would backfire badly years later. Shah Mohammad Reza Pahlavi began to consolidate his regime by expanding not only the state security apparatuses but also the state's control over the consciousness producing industries. Socially conscious films by young filmmakers, some of whom were trained in Europe and the United States, met with official disapproval and confiscation. For example, Farrokh Gaffary's *Jonub-e Shahr* (1958, South of the City), which realistically and critically depicted life in the poverty-stricken southern district of Tehran, was banned and its negative mutilated. Gaffary's next film, *Shab-e Quzi* (1964, The Night of the Hunchback), and Ebrahim Golestan's *Khesht va Ayeneh* (1966, Mud Brick and Mirror), an intriguing urban melodrama, were subjected to censorship and public apathy.

The local need for political control fit the interests of the U.S. media companies for economic control of markets worldwide. Regional media influences were thus overshadowed by global interests. American companies began selling all kinds of products and services, from feature films to television programs, from TV receivers to TV studios, from communication expertise to personnel training; in short, they sold not only consumer products but also the consumer ideology. As a result, although National Iranian Radio and Television (NIRT) became a vast institution, producing thousands of hours of sophisticated programming annually, 40 percent of its schedule in 1974 was taken up by Western products.

In the meantime, the local film industry, which had remained rather dormant, producing generally low-quality, formulaic melodramas, comedies, and tough-guy *(luti)* films, was jolted by two films that set a new trend, later called the New Wave. Mas'ud Kimia'i's *Qaisar* (1969) polished the tough-guy genre by developing a strong binary opposition of good guy versus bad guy and by linking the good with Iranian tradition and the bad with its violations (which in some circles was read as referring to the encroaching Westernization and secularization). Thus the tough-guy genre's revenge plot, usually involving defending a kin's woman, was coded to be read as involving the defense of Iranian authenticity as well. Kimia'i also intensified the pacing of the genre by using an action oriented filming style, dramatic camera angles, and stirring music. His next film, *Dash Akol* (1972), based on a short story by renowned novelist Sadeq Hedayat, consolidated the tough-guy genre and Kimia'i's high status. The other film that shook the film industry and audiences was Dariush Mehrju'i's *Gav* (1969, The Cow), about a farmer who upon losing his cow, which is the sole source of his livelihood, begins to embody the animal in spirit and body. This film revived the social realist trend that Gaffary and Golestan had began. Its focus on villagers was seen as a return to the roots, its honest treatment a truthful portrayal of Iranian life, its sparse style a breath of fresh air, and its use of a story by a leading contemporary writer, Gholamhosain Sa'edi, a harbinger of a new alliance between oppositional filmmakers and writers.

Gav embodied contradictions that became the hallmark of the New Wave movement: its sponsorship by the state (MCA) and its censorship and banning (for one year) by the state (the same ministry). The high visibility and critical acclaim of the New Wave films in international festivals opened the way for government support of this cinema in the interest of gaining a positive international profile at the time that it was under criticism by an increasingly vociferous population of Iranian students abroad. However, the New Wave films' often critical assessment of contemporary social conditions subjected them to censorship or confiscation within the country. These actions in turn heightened audience interest in the films and their makers. The uneasy alliance of state and art cinema produced a succession of important films, among them Davud Mowlapur's *Showhar-e Ahu Khanom* (1966, Ahu's Husband), Bahram Baiza'i's *Ragbar* (1970, Downpour), and Mehrju'i's *Postchi* (1970, The Postman).

The alliance was part of a complex film culture that was evolving between the late 1960s and the revolution of 1978–79, to which many factors contributed. For example, NIRT and MCA, as two poles of culture and cultural productions, both headed by trusted royal relatives and benefiting from increasing national oil revenues, supported documentaries and fictional cinema and heavily invested in cultural festivals of one type or another. The alliance of foreign trained filmmakers, such as Hajir Dariush, Bahman Farmanara, Farrokh Gaffary, Khosrow Haritash, Parviz Kimiavi, Dariush Mehrju'i, Fereidun Rahnema, and Kamran Shirdel, who collaborated with respected, antigovernment writers, such as Sadeq Chubak, Mahmud Dowlatabadi, Hushang Golshiri, and Sa'edi, injected fresh blood into the anemic local cinema. The traditional film formulas were abandoned in favor of increased realism, deeper character psychology, and higher technical quality. Films schools and a super-8 film production network called *Cinemay-e Azad* (Free Cinema) trained many new filmmakers. State sponsored and student-run university film clubs screened and discussed canonical films, and many festivals showcased and awarded local talent and exposed them to outstanding examples of foreign cinemas. Cultural arms of foreign embassies, such as the Iran-America Society, Göethe Institut, British Council, Alliance Français, and Iran-Russian Cultural Society, regularly exhibited important films from their respective countries.

Government investment in state-run companies resulted in some of the best films made in Iran. For example, the Institute for Intellectual Development of Children and Young Adults produced such important shorts as Amir Naderi's *Saz-e Dahani* (1973, Harmonica) and Abbas Kiarostami's *Mosafer* (1973, Traveler) and much of the finest animation films in Iran. Telfilm produced or coproduced such features as Hajir Dariush's *Bita* (1972), Arbi Avanesian's *Cheshmeh* (1972, The Spring), Naser Taqva'i's *Aramesh dar Hozur-e Digaran* (1971, Tranquility in the Presence of Others), Mas'ud Kimiavi's *Mogholha* (1973, The Mongols), Bahman Farmanara's *Shazdeh Ehtejab* (1974, Prince Ehtejab), Sohrab Shahid Saless's *In der Fremde* (1975, Far from Home), Kimia'i's *Ghazal* (1976), Kimiavi's *Bagh-e Sangi* (1976, Stone Garden), Mehrju'i's *Dayereh-ye Mina* (1978, The Cycle), and Farmanara's *Sayehha-ye Boland-e Bad* (1979, Tall Shadows of the Wind). Likewise, the Film Industry Development Company produced Khosrow Haritash's *Malakut* (1976, Kingdom of Heaven), Mohammad Reza Aslani's *Shatranj-e Bad* (1976, Chess of the Wind), Baiza'i's *Kalagh* (1977, The Crow), and Kiarostami's *Gozaresh* (1977, Report). In the mid-1970s, the New Film Group was formed. This was an independent collective of New Wave filmmakers dissatisfied with state intervention into cinema, and it produced Sohrab Shahid Saless's powerful film *Tabi'at-e Bijan* (1975, Still Life) and Parviz Sayyad's *Bonbast* (1979, Dead-End). Many New Wave films were also produced independently or commercially, such as Naderi's *Tangsir* (1973) and Baiza'i's allegorical film about intolerance, *Gharibeh va Meh* (1975, Stranger and the

Fog), but these were outnumbered by those supported by governmental and semigovernmental agencies.

Despite such a remarkable output, the New Wave films represented only a small fraction of the between forty-five and seventy feature films annually produced in Iran, the majority of which were escapist formula films. By the mid-1970s, the film industry's socioeconomic bases had began to crumble, driving producers into bankruptcy. Several factors stand out. Import laws made it more lucrative to import films than to produce them locally. Nearly a quarter of the films' box office receipts were taken away in taxes, for which little service was rendered. Inflation was pushing the cost of raw stock, equipment, services, and salaries very high while an imperial decree kept the ticket prices for this most popular form of entertainment deliberately low.[10] Low budgets for films procured at high interest rates created so much instability that even a short lag between a film's completion and its release could drive producers into bankruptcy. Widespread censorship of political themes lengthened the lag as completed films waited for months, or even years, to obtain exhibition permits (Mehrju'i's *Dayereh-ye Mina,* for example, waited for three years). This jeopardized the producers financially and forced the directors into either timidity or obfuscation. Ironically, the New Wave films adversely affected the local film production by fragmenting the audience. Tired of formula tough-guy and song-and-dance films, a portion of the audience sought relief in the New Wave films, which because of pervasive censorship were unable to meet their expectations. Unsatisfied by the heavily compromised films or by the abstruse filmic language some of them used to evade censorship, the audience turned once again to foreign films. Thus, government involvement (and enforcement) in both film production and film regulation ultimately weakened the film industry, which was already suffering from foreign competition.

Faced with dismay and disarray and a dearth of prestigious films, and a threat of boycott by American film distributors, the government decided in 1976 to increase admission prices by 35 percent, allocate a sizable credit to filmmaking, create the Film Import Association to streamline imports, and invest in coproduction projects with European and American companies. The changes created a short-lived resurgence in output but resulted in insignificant coproduction returns. By 1977, the social turmoil that would lead to a social revolution was underway, a turmoil in which cinema played a major part.

Contemporary Period (1978–1998)

Transition—1978–1982

In the early days of what became known as the "Islamic revolution," cinema was condemned for what was widely perceived to be its support of the Pahlavi regime's Westernization projects. Traditionalists accused cinema of becoming an agent of cultural colonization of Iran by the West. As a result, cinema became a favorite target of revolutionary wrath. In August 1978, nearly four hundred spectators perished in a deliberate fire set in the Rex Theater in Abadan, after which burning or destroying cinemas became an integral part of the dismantling of the shah's regime. By the time the Islamic government was installed in 1979, 180 cinemas nationwide had been destroyed, creating a shortage of exhibition sites from which the current cinema still suffers. As part of this purification process, imports were curtailed, particularly from the United States and Europe. Those foreign films already in the country were reviewed, but the overwhelming majority failed to live up to the evolving Islamist standards. Of a total of 898 foreign films reviewed in this period, 513—the bulk of which were imported from Western countries—were rejected. Likewise, of the 2,208 locally produced films reviewed, 1,956 were denied exhibition permits. Many films were made appropriate by strategic editing of scenes containing nudity or what was considered to be immodesty. When cutting confused the narrative, the offensive body parts were blocked off with markers applied to each frame. The screenplays for new films were also subjected to the same rigorous process, with the result that of the 202 screenplays reviewed in this period, only 25 percent were approved.[11] Entertainers, actors, and filmmakers were also subjected to "purification," involving legal charges, incarceration, expropriation of possessions, and various types of censorship including barring of their faces, voices, and bodies from movies. Uncertainty about what was allowed led to a general absence of women from the screens. The taking of Americans hostage in 1979 in their own Tehran embassy, which lasted over a year, and human rights violations by the Islamist agents inside and the terroristic actions by them outside the country brought on a boycott of Iran by the United States—one which continues today for other reasons and has negatively affected Iranian economic growth and transcultural exchanges.

The statistics regarding the country's film output are somewhat suspect, as they vary in different reports. According to the most reliable publications, however, the number of feature films produced annually during this period is as follows: eighteen films in 1978, fourteen in 1979, twenty-eight in 1980, thirty-one in 1981, and fifteen in 1982.[12] The fluctuation in the output gives an indication of the uncertainty of the times. Few films of quality were made during this period, among them Naderi's *Jostoju* (1982, Search) and Baiza'i's two films *Cherikeh-ye Tara* (1980, Ballad of Tara) and *Marg-e Yazdegerd* (1982, Death of Yazdegerd), both of which were banned. The popular tough-guy genre was suppressed (to emerge in a disguised form later).

Consolidation—1983–1986

The clerical leaders were not opposed to cinema per se. They were against what Ayatollah Khomeini called its "misuse" by the Pahlavi regime to corrupt and subjugate Iranians.[13] To ensure that it was used "properly" this time, the cabinet approved in June 1982 a set of landmark regulations governing the exhibition of movies and videos and charged the MCIG with its enforcement. As before, political consolidation entailed consolidation of culture, and thus, state intervention in cinema continued under the new regime. In 1983, MCIG created the Farabi Cinema Foundation to streamline and control the import and export of films and to encourage local productions, a task it achieved with much success. Many regulations codifying "Islamic values" as well as encouraging production of quality films were put into effect. The municipal tax for local films was reduced; ticket prices increased; importing of equipment, film stock, and chemicals was calculated at the government-controlled exchange rate (instead of at the floating rate, which was up to twenty times higher); and producers and exhibitors gained a voice in assigning their films to theaters. All these measures centralized the regulative and enforcement authorities within the ministry but also rationalized cinema and encouraged film production. In this period, the number of feature films produced annually shot up by almost two-fold: twenty-four films in 1983, thirty in 1984, and forty-three in 1985.

The presence of women in cinema increased not only on the screen but also behind it. However, their representation was fraught with complex theological, ideological, political, and aesthetic considerations. A new grammar for filming developed, involving shot composition, acting, touching, and relay of the gaze between male and female actors. In essence, this grammar encouraged a kind of "modesty of looking and acting" and instituted what I have called an "averted look" instead of the direct gaze, particularly one that is imbued with sexual desire.[14] A crop of both new directors as well as some veterans of the Pahlavi era began making high-quality films. The highlights of the films the veterans made include Baiza'i's *Bashu, Gharibeh-ye Kuchak* (1985, Bashu, the Little Stranger) and *Shayad Vaqti Digar* (1988, Perhaps Some Other Time), Naderi's *Davandeh* (1985, The Runner) and *Ab, Bad,* *Khak* (1985, Water, Wind, Dust), Kiarostami's *Khaneh-ye Dust Kojast?* (1986, Where's the Friend's House?), Taqva'i's *Nakhoda Khorshid* (1986, Captain Khorshid), and Mehrju'i's comedy *Ejarehneshinha* (1986, The Tenants). Of the new postrevolutionary directors, Mohsen Makhmalbaf's works were the most controversial and versatile. His best film in this period was the tripartite *Dastforush* (1986, The Peddler).

Cultural Invasion, Cultural Negotiation—1987–1998

In the past decade, Iranian politics, economy, and culture have undergone a number of significant developments that have impacted the film industry and cinema. One of these was a debate that surfaced during the summer of 1991 over what one faction of the government called an organized, multifaceted "cultural invasion" of the country by "Western imperialism." Many high-ranking political figures, including the nation's religious leader (Ayatollah Ali Khameneh'i), the president (Ali Akbar Hashemi-Rafsanjani), and then minister of culture and Islamic guidance (Mohammad Khatami), as well as most of the mainline and specialist press, participated in this debate. The editor of a relatively new literary journal, *Gardun*, whose cover had sparked the cultural invasion debate, was jailed and his publication shut down. Other editors were also harassed and prosecuted. The debate took its toll among high-ranking officials as well: The minister of culture and Islamic guidance, who had been one of the most enduring public leaders in the country, presiding over the flourishing of the arts and cinema since the revolution, resigned in mid-1992 (he was elected president of Iran in a surprise, landslide election in 1997). In February 1994, President Hashemi-Rafsanjani's brother, Mohammad, who had headed the broadcasting networks for many years, was ousted. Soon, the director of the Farabi Cinema Foundation, Mohammad Beheshti, who had guided the new organization into a formidable film institution, was also removed. These changes followed the removal earlier of Prime Minister Mir Hossein Musavi, during whose reign these and other officials had created the nucleus of a "committed" Iranian cinema, culture, and broadcasting. With their removal, a new, post-Khomeini era began. Its immediate impact on the film industry was to set into motion a period of anxious uncertainty, from which the industry emerged relatively unscathed. The reasons for the industry's endurance may partly be sought in the foundations laid earlier that institutionalized it, with the result that cinema now appears to be both less subjected to direct ideological manipulations and less dependent on the presence of sympathetic officials—although ideology and influence continue to be important factors.

Attempts by the Rafsanjani government to privatize instead of nationalize major industries was extended to cinema as well, causing the government to reevaluate and to partially remove the subsidies it provided the film industry. This was met with dire predictions about the imminent collapse of the industry—one that has failed to materialize so far. However, if the government of the new president does not reduce the high rate of inflation and unemployment, increase investment in non-oil industries, and rationalize its foreign exchange policies, the film industry (and the society as a whole) will suffer greatly. For now, assuming that higher income from higher-quality films will lead to production of more such films, banks have begun to offer long-term loans for film production, and MCIG has put into place a film-grading system that favors higher-quality products. It awards grade A films with the best exhibition sites, opening dates, and longer runs and it awards the makers of such films a higher budget and lower-interest loan. Grade A filmmakers are also exempted from having to submit their screenplays for approval before they begin production.[15] To enhance the quality of sound in films, the government encourages sync-sound filming by selling filmmakers who chose this method a third more raw stock at the cheaper government-controlled rate. This is designed to correct the tradition of postdubbing of dialogue, which resulted in inferior films.

All these measures created the unusual situation in which the higher-quality films were sometimes the most popular films. As in the Pahlavi era, however, censorship remained a big problem under the Islamic Republic.[16] To receive exhibition permits, all films had to undergo a four-phase approval process, involving approval of the film's synopsis, screenplay, cast and crew, and completed film. In 1989, for the first time in Iran, the screenplay approval phase was removed, particularly for filmmakers whose previous film had been given the A rating. Although this procedure was intended to encourage quality films, its effect was insidious in that it moved the censorship from the outside to the inside, forcing filmmakers to internalize its procedures and ideology and become their own censors. Because of the conservatives' attacks against the nominal liberalization that this method promised, the policy was reversed in 1992 during the cultural invasion debate. A number of films are banned, even those made by grade A filmmakers. Bahram Baiza'i's *Cherikeh-ye Tara* and *Marg-e Yazdegerd* continue to be banned, as are Mohsen Makhmalbaf's *Nowbat-e Asheqi* (1991, A Time to Love) and *Shabha-ye Zayandehrud* (1991, Zayandehrud's Nights) and Dariush Mehrju'i's *Banu* (1990, Lady).[17] Although indirect political and social criticisms are not uncommon in films, care is taken not to offend the clerical establishment or the religious doctrines and saints. This is partly accomplished by the almost total erasure of official Islam from the bulk of high-quality postrevolutionary films. And one "Islamically committed" filmmaker, Mohsen Makhmalbaf, who made a name for himself nationally and internationally, began to raise serious questions about the accomplishments of the Islamist regime and its ruling ideology, beginning with his tempestuous antiwar film *Arusi-ye Khuban* (1988, The Marriage of the Blessed).

In mid-1995, a group of 214 film workers wrote a widely distributed open letter to the minister of culture and Islamic guidance, demanding a thorough reevaluation of the various complex rules and procedures governing cinema. Claiming that both state-subsidized and strictly commercialized cinemas will undermine the "national film industry" by opening it to assault by popular foreign films, the signatories demanded both a reduction in the stifling rules and a strengthening of the independent professional guilds that supervise the industry.[18] In essence, they were demanding that the industry be allowed to move out of the political into the professional sphere, where external political censorship could be replaced with industry self-regulation—a demand that may take years and a paradigmatic ideological reorientation to materialize. In the meantime, however, despite the cultural invasion debate fanned by hardliners, the high cost of newsprint, and stringent censorship, film journalism is thriving with daily, weekly, monthly, and quarterly periodicals published about cinema.[19]

Although the production output vacillated, it charted a rising trend during this period: fifty-two films were released in 1987, forty-two in 1988, forty-eight in 1989, fifty-six in 1990, forty-five in 1991, fifty-two in 1992, fifty-six in 1993, forty-five in 1994, sixty-two in 1995, and sixty-three in 1996. Many of these films were aggressively entered in international film festivals, where a surprising number garnered praise and prizes, leading to celebratory and analytical appraisals of Iranian cinéastes and cinema.[20] In 1992, the director of the Film Society of Lincoln Center in New York, Richard Peña, characterized the contemporary Iranian cinema as "one of the most exciting in the world today."[21] Likewise, the Toronto International Film Festival called it "one of the pre-eminent national cinemas in the world today."[22] The international acclaim of Iranian cinema does not seem to have garnered the political prestige for the Islamist government that the regime's opponents in exile have feared. A key reason might be that most of the Iranian exiles, the international audiences, and the film reviewing establishments abroad are sophisticated enough to appreciate the stringent and complex conditions under which films are produced in Iran. Unlike some of the exiles who focus solely on the political issues and on governmental machinations and manipulations of the media, these viewers and reviewers tend to highlight the ingenuity and skill of the filmmakers themselves and some of the progressive film institutions. They give the credit for high-quality films not to governmental largess or manipulative capacity but to the filmmakers' own resourcefulness. Iranian films are being shown individually, in series, and in festival forms annually in many countries, including in Europe, Canada, and the United States (in such cities as Los Angeles, San Francisco, Chicago, Houston, New York, Washington, D.C., Philadelphia, and Phoenix). A number of filmmakers have been praised repeatedly in American and European publications and festivals, among them Bahram Baiza'i, Rakhshan Bani'etemad, Abbas Kiarostami, Mohsen Makhmalbaf, and Darush Mehrju'i. No filmmaker has received more critical as well as popular acclaim in Europe and North America than Kiarostami, whose picture appeared on the cover of the July–August 1995 issue of *Cahiers du cinéma* (no. 493) above the caption: "Kiarostami le magnifique." Inside, nearly fifty pages were devoted to discussing his work. His meditative film about suicide, *Ta'm-e Gilas* (1997, A Taste of Cherries), won the grand prize at the 1997 Cannes International Film Festival. Iranian participation in international film festivals is not just to gain prestige. Success in festivals increases the likelihood of commercial release of the pictures and contributes hard currency to a needy industry. Kiarostami's observation (quoted earlier) about films becoming a significant export item for Iran similar to pistachios and oil seems to be coming true. For the first time, half a dozen Iranian films are receiving theatrical commercial distribution in the United States and Europe by Hollywood mini-majors (such as Miramax and October Films), and nearly twice as many are in video distribution (a package of six films is distributed by Facets Video).

Outstanding films during this period made by male directors include Makhmalbaf's *Nassereddin Shah, Aktor-e Sinema* (1992, Nassereddin Shah, The Movie Actor, aka Once upon a Time Cinema), *Salam Sinema* (1995, Salaam Cinema), and *Gabbeh* (1996); Sa'id Ebrahimian's *Nar O Nay* (1988, Pomegranate and the Reed); Mas'ud Jafari Jozani's *Dar Cheshm-e Tond-e Bad* (1988, In the Wind's Eye); Kimia'i's *Dandan-e Mar* (1990, Snake's Fang); Mehrju'i's *Madreseh'i keh Miraftim* (1989, School We Went To), *Hamoun* (1990), *Sara* (1993), and *Pari* (1995); Kiarostami's *Mashq-e Shab* (1988, Homework), *Close-up* (1990), *Zendegi va Digar Hich* (1992, And Life Goes On), and *Zir-e Darakhtan-e Zeitun* (1994, Through the Olive Trees); Baiza'i's *Mosaferan* (1992, Travelers); Ebrahim Forouzesh's *Khomreh* (1995, The Jar); and Jafar Panahi's *Badkonak-e Sepid* (1996, The White Balloon).

Although women continue to be the most regulated and officially controlled sectors of society and cinema, their presence and influence both behind and in front of the cameras have steadily grown. As a legitimate profession, the film industry now attracts women to all its areas, including cinematography, which until very recently was totally monopolized by men. The restrictive filming grammar curtailing their diegetic relations with men has liberalized considerably. The averted gaze has become more focused and direct, and it is sometimes charged with sexual desire. Significantly, more women directors of feature films came aboard than in all the previous decades combined.[23] Their best works include Rakhshan Bani'etemad's *Kharej az Mahdudeh* (1987, Off the Limit), *Nargess* (1992), and *Rusari-ye Abi* (1995, The Blue Veiled); Puran Derakhshandeh's *Parandeh-ye Kuchak-e Khoshbakhti* (1989, The Little Bird of Happiness); Tahmineh Milani's *Tazeh Cheh Khabar?* (1992, What Else Is New?); and Yasmin Maleknasr's *Dard-e Moshtarak* (1995, The Common Pain).

During this period, the financial, regulative, technical, and production infrastructures necessary for sustaining a high level of film output took root. However, the very success of these infrastructures, the doubling of the population in fifteen years to nearly sixty million, the relative cheapness of cinema tickets compared to other forms of entertainment, and the general popularity and prestige of cinema all highlighted the structural deficiencies existing in other sectors of the industry. Many of the theaters destroyed by revolutionary wrath were not rebuilt. Even if they had been, they could not accommodate the swelling population. In 1993, there were only 268 cinemas operating nationwide, which meant there was one cinema for every 209,000 people.[24] The conditions of the existing halls and the projection and sound equipment had also badly deteriorated. The neglect of this sector of the industry was so profound that even conservative clerical leaders, such as the Speaker of the *majles* (parliament) noted the necessity of urgent action, by equating the "religious reward" of building a cinema to that of building a mosque—a far cry from the early linkage of cinema to corruption.[25] However, the need for allocating massive amounts of money to refurbish existing and to build new movie houses has come at a time when the national economy appears to be in a tailspin, forcing the country to borrow money, for the first time since the revolution, from foreign governments and the World Bank. The government's attempt to rebuild the economy in the face of the continued North American–led boycott of Iran created panic in the film industry, particularly the unification of the three-tiered exchange rate that removed the government's partial subsidy of the industry. The long-term effects of these policies are yet to be seen.

The crisis, however, is deeper than the inadequacy of the exhibition and distribution systems. Video and satellite TV have posed particularly vexing problems for the regime and have offered its opponents opportunities for cultural negotiation and resistance. From the beginning, the Islamist government has had a love-hate relationship with video, fearing that it would undermine the "Islamic culture" that it was propagating. As a result, the government frequently flip-flopped on policies that alternatively banned, curtailed, ignored, or begrudgingly allowed videocassettes and videocassette players. This in turn encouraged the growth of a burgeoning black market in video in major cities that has ebbed and flowed. However, the popularity of global satellite networks in the mid-1990s forced the government to take decisive action by becoming a promoter and distributor of feature films and TV films on video. This was viewed as a key method for combating the cultural invasion that the powerful global satellite TV networks were supposedly leading with their highly attractive programming and channels. However, the quantity, quality, and variety of the videos that were officially allowed came up short of both the expectation and the competition. As a result, after much debate within the Parliament and the ruling circles, in 1994 Grand Ayatollah Mohammad Ali Araki issued a fatwa, banning satellite TV. It declared: "Installing satellite antennae, which open Islamic society to the inroads of decadent foreign culture and the spread of ruinous Western diseases to Moslems is *haram* (forbidden)."[26] The government urged the owners of satellite equipment to "voluntarily" remove their dishes and threatened to impose a heavy fine and jail term on those who imported, sold, installed, or owned the dishes.[27] Despite some arrests and fines, the ban has not been entirely successful, and equipment owners have found creative ways to camouflage and miniaturize their satellite dishes. This failure and the loopholes within the rules that exempt government officials and foreign legations from the ban, have created a fluid cultural space in which all kinds of slippage and transgressions as well as countermeasures are possible.

In addition to freeing video and banning satellite TV, the government has begun a massive effort to increase film production, to build new cinemas and cinema complexes, and to create new television networks aimed at two of the largest segments of the population: young adults and urban residents.[28] The broadcasting authorities are also planning to introduce cable TV and to use communication satellites to expand their coverage to neighboring regions, especially to central Asian republics. Such a wide-ranging revolution in distribution, exhibition, and delivery systems for film, television, and video at a time of diminishing financial prowess means the film industry must not only reach more and more of the swelling national population but also create an international market for its products. This necessitates the commercial distribution of films abroad. Such a multifaceted scenario of change—which is tantamount to a veritable mass media revolution almost as profound as the earlier antimonarchy social revolution—can be realized only if the government and the film industry are able to muster sufficient foresight, political will, social stability, and economic growth to sustain the industry long enough to become self-sufficient. However, political will and social stability, like economic health, are fragile commodities in Iran.

Iranian cinema became international by its strong representation in international film festivals during the heyday of the New Wave in the 1970s and in the contemporary period of the 1990s. However, since the Islamic revolution a large number of experienced and emerging filmmakers in exile have opened another venue for the internationalization of, if not the Iranian cinema, at least the Iranian filmmakers. Although these filmmakers are diverse politically and religiously, a majority are united in their opposition to the Islamist regime. And while they work in different countries, making films in varied languages, they have created over the years what might be called an "exile genre" of cinema. This is a cinema that is centrally concerned with expressing the trauma and tragedy of displacement and the problem of deterritorialization and identity formation.[29] Many of the works are short or experimental films and videos. The most accomplished feature films made in exile include the following: Shahid Saless's *Utopia* (1983) and *Rosen für Afrika* (1991, Roses for Africa); Parviz Sayyad's *Ma'muriat* (1983, The Mission); Marva Nabili's *Nightsongs* (1984); Ghasem Ebrahimian's *Khastgaran* (1989, The Suitors); Reza Allamehzadeh's *Mehmanan-e Hotel-e Astoria* (1989, The Guests of Hotel Astoria); Jalal Fatemi's *Nowzad-e Atomi* (1990, The Nuclear Baby); Caveh Zahedi's *A Little Stiff* (1992) (with Greg Watkins) and *I Don't Hate Las Vegas Anymore* (1994); Amir Naderi's *Manhattan by Numbers* (1993) and *Avenue A.B.C . . . Manhattan* (1997); Shirin Etessam and Erica Jordan's feminist film *Walls of Sand* (1994); and Houshang Allahyari's *Höhenangst* (1994, Fear of Heights).

Of further interest is the emergence of the "music video" genre, which is flourishing in the United States, particularly in Los Angeles, which has been dubbed a "Persian Motown!" The videos are aired frequently by Iranian exile TV in Europe and North America, and they are also available in ethnic grocery stores (and in Iran in bootleg form). Video offers the exiles a new form of both self-expression and collective expression, and the clips provide researchers of media with fascinating textual material for the analysis of exilic and diasporic cultural productions.[30]

Notes

This is a revised and updated version of "Iranian Cinema," in *The Oxford History of World Cinema,* 1st ed., ed. Geoffrey Nowell-Smith (London: Oxford University Press).

1. Miriam Rosen, "The Camera of Art: An Interview with Abbas Kiarostami," *Cineaste* 19.2–3 (1992): 40.
2. Muzzafared-Din Shah Qajar, *Safarnameh-ye Mobarakeh-ye Muzzafared-Din Shah Beh Farang,* 2nd ed., trans. Mirza Mehdi Khan Kasani (Tehran: Ketab-e Foruzan, 1361/1982), 160.
3. Jamal Omid, *Paydayesh va Bahrehbardari, Tarikh-e Sinema-ye Iran,* vol. 1 (Tehran: Radiab, 1363/1984), 42.
4. Farrokh Gaffary, "Cinema i: History of Cinema in Persia," in *Encyclopedia Iranica,* vol. 5, fascicle 6, ed. Ehsan Yarshater (Costa Mesa, Calif.: Mazda Publishers, 1991), 567–72.
5. Jamshid Malekpur, *Adabiyat-e Namayeshi dar Iran: Dowran-e Enqelab-e Mashruteh,* vol. 2 (Tehran: Entesharat-e Tus, 1363/1984), 61.
6. Hamid Naficy, "Self-Othering: A Postcolonial Discourse on Cinematic First Contact," in *New Directions in So-Called Postcolonial Studies,* ed. Fawzia Afzal-Khan and Kalpana Seshadri-Crooks (Durham: Duke University Press, 2000).
7. Hamid Naficy, "Cinema iii: Documentary Films," in *Encyclopedia Iranica,* vol. 5, fascicle 6, ed. Ehsan Yarshater (Costa Mesa, Calif.: Mazda Publishers, 1991), 579–80.
8. Hamid Naficy, "Iranian Feature Films: A Brief Critical History," *Quarterly Review of Film Studies* 4 (1979): 450.
9. Mohammad Ali Issari, *Cinema in Iran, 1900–1979* (Metuchen: Scarecrow, 1989), 164–94; Naficy, *Iran Media Index* (Westport: Greenwood Press, 1984), 190–220.
10. Naficy, "Iranian Feature Films," 459.
11. Hamid Naficy, "Islamizing Cinema in Iran," in *Iran: Political Culture in the Islamic Republic,* ed. Samih K. Farsoun and Mehrdad Mashayekhi (London: Routledge, 1992), 183–94.
12. See the following two catalogs: *A Selection of Iranian Films,* 1985, and *A Selection of Iranian Films,* 1997, both published in Tehran by Farabi Cinema Foundation. The latter source is used for all the statistics henceforth about the number of films produced annually.
13. Naficy, "Islamizing Cinema in Iran," 180.
14. Hamid Naficy, "Veiled Visions/Powerful Presences: Women in Postrevolutionary Iranian Cinema," in *In the Eye of the Storm: Women in Postrevolutionary Iran,* ed. Mahnaz Afkhami and Erika Friedl (London: I. B. Taurus and Syracuse University Press, 1994), 131–50.
15. See *Mahnameh-ye Sinema'i-ye Film* 172 (April 1995): 15.
16. Jamsheed Akrami, "Cinema ii: Feature Films," in *Encyclopedia Iranica,* vol. 5, fascicle 6, ed. Ehsan Yarshater (Costa Mesa, Calif.: Mazda Publishers, 1991), 572–79.
17. Two years after the film's completion, the authorities ruled that *Lady* would be per-

mitted to be screened if the close-up shots of the female protagonist were removed. The director has not yet fully complied (Majid Moddaresi, "Har Mas'ul-e Jadid, Harf-e tazeh'i Zad," *Gozaresh Film* 95 [September 1997]: 44–46).

18. See *Mahnameh-ye Sinema'i-ye Film* 174 (June 1995): 24–25.
19. Hamid Naficy, "Iran," *CinémAction* 69 (1993): 209–13 (numéro spécial: les reveues de cinéma dans le monde); and "Cultural Dynamics of Iranian Post-Revolutionary Film Periodicals," *Iranian Studies* 25:3–4 (1992): 66–73.
20. Bill Nichols, "Discovering Form, Inferring Meaning: New Cinemas and the Film Festival Circuit," *Film Quarterly* 47:3 (1994): 16–30.
21. Judith Miller, "Movies of Iran Struggle for Acceptance," *New York Times*, 19 July 1992, H9, H14.
22. *Toronto International Festival of Festivals Catalog*, 4 September 1992, 8.
23. Naficy, "Veiled Visions/Powerful Presences."
24. *Mahnameh-ye Sinema'i-ye Film* 135 (20 Day 1371/January 1993): 8.
25. *Mahnameh-ye Sinema'i-ye Film* 134 (Day 1371/December 1992): 19.
26. *Iran Times*, 25 May 1994, 1.
27. *Kayhan Havai*, 26 April 1995, 23.
28. *Kayhan Havai*, 19 July 1995, 15; and *Kayhan Havai*, 26 July 1995, 15.
29. Hamid Naficy, *The Making of Exile Cultures: Iranian Television in Los Angeles* (Minneapolis: University of Minnesota Press, 1993); also Naficy, "Between Rocks and Hard Places: The Interstitial Mode of Production in Exilic Cinema," in *Home, Exile, Homeland: Film, Media, and the Politics of Place*, ed. Hamid Naficy (London: Routledge, 1999), 125–47.
30. Hamid Naficy, "Identity Politics and Iranian Exile Music Videos," *Iranian Studies* 31.1 (winter 1998): 52–64.

8

Senegal

Manthia Diawara

Production in Senegal

Senegal was introduced to film activities as early as 1905, when *L'arrivée d'un train en gare de la ciottat* and *L'arroseur arrose,* by the Lumière brothers, were exhibited in Dakar by a French circus group and filmmakers. At the same time, film pioneer Georges Méliès shot short films in Dakar, two of which, *Le marche de Dakar* and *Le cakewalk des nègres du nouveau cirque,* can be seen at the Cinémathèque Française.[1] Since then, foreign distributors and producers have developed film activities in Africa as a serious industry. The Africans, however, did not participate as conscious history makers in this development of film activities. They remained either as consumers of foreign films or as objects of stereotypical images for commercial and anthropological filmmakers. The situation was worse in Francophone Africa, where the Laval Decree was set against the African participation in decisions concerning films. As Jean Rouch, father of Cinéma Vérité and founder of the Comité du film ethnographique (Ethnographic Film Committee) and the Musée de l'Homme (Anthropological Museum in Paris) saw it, the French were far behind the British and the Belgians in involving their subjects in film activities. Citing Ghana, a former British colony, and Ivory Coast, a former French colony, two countries with comparable economies and populations, Rouch stated that it was a shame that, in 1957, next to Ghana's more than twenty power wagons and 16-mm projectors, Ivory Coast only had an old 16-mm projector that was not even fit for films.[2]

However, in 1958, in an effort to maintain its assimilationist policy and slow down the independence process in the colonies, the French government ordered the production of films intended for Africans. As is well known to African historians, 1958 was the year in which General de Gaulle himself traveled to Africa to seek the alliance of the Africans of the Communauté française for an upcoming referendum on whether the colonies would continue with France or break from her. Film, too, was supposed to play a propaganda role for the French government in 1958. It was in this vein that Pierre Fourré, a coordinator of film for the colonies, was asked to produce a series of films especially made for Africans. Accordingly, Fourré produced *Bonjour Paris, L'elevage du Mouton, Un petit port de pêche Français,* and so forth, films that praised the French civilization, know-how, and beauty. According to Rouch, these films intended for Africans were very simple, in an elementary French, and reminiscent of the British colonial films, such as *Mister British at Home,* which had been made ten years earlier and which had been intended to teach the Anglophone Africans the advantages of being British.[3]

However, Fourré's experiment came a little too late. By September 1958, Guinea-Konakry became independent, and in 1960 the other Francophone countries gained their autonomy. It is obvious, therefore, that the French colonial production was not significant enough to leave a structural legacy of production that could be compared to the production structures left behind in Anglophone Africa and Zaire by the British and the Belgians. The French produced the films of the Fourré experiment in France and sent them to Africa for exhibition, unlike the British and the Belgians, who had production facilities in their colonies.

It was not until the postindependence era, when, ironically, France was driven out of Africa, that the Francophone countries began to acquire some film production facilities, contributed by France and other countries. France's gift to its former colonies was serious enough to make the efforts of other technologically advanced countries seem trivial. The exception to this truth might be West Germany, which has demonstrated her commitment to the development of African film by building autonomous production facilities in 35-mm format in both Anglophone and Francophone Africa in the countries of Ghana and Guinea-Konakry.[4]

In the postindependence era of the early 1960s, the Francophone countries were faced with the difficulty of diffusing information and explaining their political programs to their populations. The newspapers were of little help because fewer than one-fifth of the citizens in any country could read. Therefore, unlike radio stations, which all the new governments acquired, films were not within reach of the independent countries for two reasons: Francophone countries lacked production structures and the means to acquire them, and they also lacked film technicians and, in many instances, directors. It was under these conditions that any help was welcomed for the technologically advanced countries, be it donations of movie projectors or offers to film the independent celebration of a country.

France understood better than any other country the desperate situations of her former colonies. She offered them, accordingly, a plan to eliminate any competition from other industrialized countries. In 1961 the French government asked the four largest producers of filmed news in France, Les Actualités Françaises, Eclair-Journal, Gaumont-Actualités, and Pathé-Magazines, to subsidize a fifth one, the Consortium Audio-visuel International (C.A.I.), which would sign a contract with the former colonies to produce their newsreels, educational films, and documentaries. As the C.A.I. was created in Paris with postproduction facilities, partial production equipment was set up in the capitals of the Francophone African countries. In this manner, the newsreels were shot in the member countries in Africa, sent to the C.A.I. in Paris to be finished, and sent back to Africa for projection. The filmmakers and technicians were usually employees of Les Actualités Françaises and other such organizations that subsidized the C.A.I. Production was financed by the French government and the African countries. According to Jean-René Débrix, these agreements were made on a commercial basis: "France pays half the cost of producing the filmed African news, and she gets in return half the revenues corresponding to her investment in the production. The system has worked for fifteen years [1961–1977] without a problem."[5]

Senegal was the first Francophone country to sign a newsreel production agreement with the C.A.I. According to Vieyra, who was head of Les Actualités Sénégalaises, the agreement was such that the C.A.I. provided Senegal with a cameraman/reporter who was in charge of filming the current events. The filmed events were sent to Paris to be developed and edited, along with other African and world events that were also provided by the C.A.I. Vieyra explained that the editing and the added commentaries were done according to the wishes of the Ministry of Information of Senegal. "The cost of Production was split half and half between the C.A.I. and Senegal. The same agreement was later signed by Ivory Coast, Dahomey, Togo, Madagascar, Upper Volta, and Cameroon."[6]

At first the C.A.I. was making two newsreels a month for Les Actualités Sénégalaises. Vieyra said that beginning in April 1962 the demand was increased to one newsreel a week. The total length of the film was 250 meters, of which 100 meters were devoted to Senegalese news.[7] However, even the one newsreel a week soon proved insufficient because it could not include all the activities that were deemed newsworthy by the different ministries. There was also a need for educational films and documentaries that could not be replaced by newsreels. Finally, one must not forget that Senegal was the home of pioneers of African cinema, including Blaise Senghor and Vieyra, who were graduates of the French Institut des Hautes Etudes Cinématographiques (IDHEC) in Paris and who were anxious to make films in Africa, now that they were independent.[8]

Les Actualités Sénégalaises made plans, therefore, to create a Service de Cinéma that would be involved in producing and coproducing documentaries. Vieyra argued that the plans were first limited to documentaries because, after the newsreels, they were the least expensive.[9] Under the direction of Vieyra himself, several short films were financed by the Service de Cinéma. They were films on special topics that were ordered by different branches of government. Vieyra directed *Une nation est née* (1961, 35-mm color), on the anniversary of the independence, and *Lamb* (1963, 35-mm color), on wrestling, which is a popular sport in Senegal. Vieyra also made films, such as *Voyage presidentiel en Urss* (1962), that were presidential visits and more like newsreels than documentaries. Blaise Senghor also directed a short film, *Grand magal à Touba* (1962, 35-mm color), on Islam, the most important religion in Senegal.

But until the late 1960s, when Sembène Ousmane came on the scene, Senegal did not give its own nationals the chance to direct features and/or major documentaries. It was in this sense that Les Actualités Sénégalaises hired Ives Ciampi, a Frenchman, to direct *Liberté I* (1960). A Franco-Senegalese production, the film was to explore the conflicts between tradition and modernity. According to Débrix, the filmmakers failed in this respect.[10] Another Frenchman, Jean-Claude Bonnardot, was also called to direct a major documentary, *Sénégal, ma pirogue* (1962). Just as Les Actualités Sénégalaises had to depend on the C.A.I. for the postproduction of its newsreels and on French directors for the making of features, the Service de Cinéma also depended on the French facilities of production and postproduction. When the Service de Cinéma was created to remedy the urgent need for documentaries and educational films, the project did not include buying production facilities, which, in the long run, would have saved Senegal a lot of money. Clearly, the Service de Cinéma was little more than a bank that financed films or tried to find financiers for them. In its role as a financier, the Service de Cinéma generously spent the money of the different ministries to produce film with 35-mm cameras and other such expensive equipment from France. In its double role as a financier and an agent, it coproduced with the French Ministry of Cooperation, through the Bureau de Cinéma and the C.A.I., the films of such Senegalese directors as Sembène, Babakar Samb, and Vieyra.

Clearly, the emergence of Senegalese cinema in the late 1960s, with Sembène and Mahama Traoré, was due less to the availability of a structure provided by the Service de Cinéma and more to France's willingness to produce African films. Although I have explained elsewhere some of the neocolonialist aspects of such a French venture,[11] it is important to add here that because French equipment of production and postproduction was used by both Les Actualités Sénégalaises and the Service de Cinéma, it was clever of France to have created a system that systematically helped the production of African films and, at the same time, kept such countries as Senegal from having autonomous production facilities. Interestingly enough, some independent filmmakers adapted themselves to this creation and created their own production companies, without equipment of production, and went directly to the Ministry of Cooperation for help.[12] Thus, they were unwittingly postponing the day Senegal would be independent from France in matters of equipment.

However, in the early 1970s, the Association des Cinéastes Sénégalais began to rethink the role of the Service de Cinéma and to put pressure on their government to improve the conditions of production in Senegal. The filmmakers' action was determined by several factors. Directors such as Sembène had become disillusioned with foreign aid, which they had realized was "[t]ainted with paternalism and neocolonialism."[13] Because of the increase in the number of African directors, France also was beginning to find it difficult to produce all their films. Finally, the Pan-African Federation of Filmmakers had stepped up the pressure on African governments to liberate production, distribution, and exhibition of film in Africa.[14]

Bowing to the pressure, the government created, in 1973, a Société de Cinéma (SNC) within the Ministry of Culture. The purpose of the SNC was to encourage national production in fiction and documentary films. Filmmakers were requested to submit scripts on topics ranging from juvenile delinquency and urban problems to literacy campaigns. The best scripts were selected by a group of readers who were designated by the president of the SNC.[15] In this manner, six feature films were produced and/or coproduced by the SNC in 1974. They were *Xala,* by Sembène; *Le bracelet de bronze,* by Tidiane Aw; *Baks,* by Momar Thiam; *Njangaan,* by Mahama Traoré; *L'option,* by Thierno Sow; and *Boram Xam Xam,* by Maurice Dore, a French psychiatrist. Because of this unprecedented number of films produced by a national organization in one year, 1974 is considered the golden age of Senegalese cinema.

The SNC also worked with the Association des Cinéastes Sénégalais in ways that enabled young filmmakers to direct short films. According to Mahama Traoré, the SNC and the filmmakers' association agreed to give the newcomers the opportunity to express themselves by assigning them to the short film projects of the different ministries, instead of letting the ministries choose their own directors.[16] It was in this way that new and talented directors, including Moussa Bathily, Ben Diogaye Beye, and Cheikh N'Gaido Bâ, made their first films. Moussa Bathily, who had been the assistant of Sembène Ousmane, has since become the master of the documentary form with such prize-winning films as *Tiyabu Biru* (1978, The Circumcision) and *Le certificat d'indigence* (1981), a documentary on hospitals and the corruption of the medical profession in Dakar. Cheikh N'Gaido Bâ became the leader of the Le Collectif l'Oeil Vert, an association of young African filmmakers who were defying the Fedération Panafricaine des Cinéastes (FEPACI) and rethinking the structure of production of African films.[17]

However, like the preceding organizations in charge of Senegalese cinema, the SNC did not acquire the equipment of production as part of its politics of developing national production. The SNC merely took money from governmental budgets and gave it to filmmakers. With this money, the filmmakers bought film stocks from Paris, rented French cameras and other production equipment, if they didn't have them, and sometimes used French film technicians. The Paris studios were also used for film processing, editing, and sound-synchronizing.

Because only three films, *Xala, Le bracelet de bronze,* and *Njangaan,* were commercially successful for the films produced by the SNC, the project was phased out by 1976. The contents of *Xala* and *Njangaan* were also burdensome to the government and partly instrumental in shaping the decision to shut down the SNC. Several portions of both films were cut out before they were shown to Senegalese audiences.[18] *Njangaan* is an indictment of Islam, the main religion in Senegal; *Xala* depicts the impotence of political leaders.

Aside from the fact that the SNC "ate" the government's money and produced films that made the leaders uncomfortable, there was also a conflict with another governmental society, the Société d'Importation de Distribution et d'Exploitation Cinématographique (SIDEC). Where the SNC accused the SIDEC of not promoting and distributing its films, the SIDEC charged the SNC with interfering with distribution and exhibition and thus illegally appropriating SIDEC funds.[19] The conflicts could easily have been avoided had the government put together the two organizations under one ministry instead of having the SNC at the Ministry of Culture and the SIDEC at the Ministry of Commerce in charge of distributing primarily foreign films. Had they been conceived together, the SIDEC would be distributing foreign films with a long-range plan of creating a subsidy from the tax revenues to buy equipment and to produce, promote, and distribute national films. In effect, the

SIDEC could have been subsidizing the SNC. In Francophone countries that have liberal economic systems, only Cameroon, with the Fonds d'Aide a l'Industrie Cinématographique (FODIC), disposes of such a subsidy funded by tax revenues from film import and exhibition. However, the FODIC, too, had not managed to acquire the facilities of production in Cameroon. It is ironic that France, which is the model of the so-called liberal economic system that the Francophone countries had adopted, had her own Centre National Cinématographique (CNC), which subsidized the production and distribution of French films. Under the existing situation in Senegal, the SNC took the government money to produce films, and the SIDEC at the Ministry of Commerce took the tax revenue from distribution and exhibition and spent it elsewhere.

After the dissolution of the SNC, the government tried to contribute to national production by cosigning directors at banks. The Actualités Sénégalaises and the Service de Cinéma also resumed their activity as producers of short films. According to Mahama Traoré, president of the Association des Cinéastes Sénégalais, all the films made in Senegal between 1972 and 1983 were subsidized in one way or another by the government. Furthermore, according to Traoré, there was a new production plan devised by the government and the filmmakers that, when unveiled, would have important consequences both in Senegal and the rest of Africa.[20] This plan involved acquiring equipment of production and subsidies from distribution and exhibition to be used to help filmmakers. Meanwhile, production has dropped in Senegal. Some filmmakers have returned to the Ministry of Cooperation for assistance; others, such as Safi Faye and Bathily, have tried coproduction with Swedish and German television.

Distribution/Exhibition in Senegal

Since 1905, when the Lumière brothers' films were first exhibited by a circus group in Dakar, the distribution and exhibition of films in 35-mm format have expanded in the urban areas. In the rural sectors, where more than 80 percent of the population lived, there had been no efforts to create projection sites or to create ambulant-cinema with 16-mm projectors that were light and easy to carry around. The 16-mm format was not developed along with 35-mm format for at least two reasons. The companies that had a monopoly on distribution and exhibition preferred the cities where they could directly ship their films from Paris and make profits without many complications. Also, unlike the British and the Belgians, who used film for educational, political, and religious purposes in their colonies, the French were opposed to African involvement in film activities. It is also possible that the rural sectors, which were more traditional than the modern cities, were opposed to the penetration of film in the social and religious lives of people. Amadou Hampaté Bâ, author of *L'etrange distin de Wangrin*, offers an example of resistance of rural Africans to the film medium. The first time a film was brought to Bandiangara, a small town in Mali, the district commissioner ordered the elders to summon everybody in the marketplace to see it. The town's Imam warned people that the film was another trick of the white man, who worshipped the devil. Only the elders showed up at the projection, explaining to the district commissioner that the others were too scared of cinema. The projection took place, but only one man defied the Imam's word and looked at the "Diabolic images"; all the rest closed their eyes during the show. One man was to explain later: "We attended the spectacle to show respect for the order established by the great commandant. But we closed our eyes and didn't see a thing, so our consciences were not disturbed."[21]

The distribution and exhibition of film in the metropolitan areas did not encounter similar resistance from the people. Built primarily for the entertainment of Europeans, the movie theaters were soon divided into rows of first-class seats for Europeans, second-class for the African elite, and third-class for the masses. Hampaté Bâ explains that cinema was a spectacle that attracted several people in the Europeanized African cities. He describes moviegoing in 1934 as an organized structure with cigarette, colanut, date, lemonade, and groundnut dealers in front of the theaters. When it was time to purchase tickets, Hampaté Bâ wrote, "[t]he crowd rushes toward the window as if it is resurrection day. But everybody cannot get in at the same time. One must struggle to stay in line. One gets a first-, second-, or third-class ticket according to the amount one pays."[22]

The Compagnie Africaine Cinématographique Industrielle et Commerciale and the Société d'Exploitation Cinématographique Africaine, known as COMACICO and SECMA, respectively, were two French companies that controlled distribution, exhibition, and film programming in Francophone Africa. They organized the market into three regions: the northern region comprising Senegal, Mauritania, Mali, and Guinea, with Dakar as its capital; the central region including the Ivory Coast, Togo, Benin, Upper Volta, and Niger, with Abidjan as the capital; and the southern region of Cameroon, Congo, Gabon, Chad, and the Central African Republic, with its capital in Douala. From their central offices in Paris, COMACICO and SECMA send copies of American, European, and Indian films to the capitals of the regions that determined the programs.

By 1960, there were 180 movie theaters equipped with 35-mm projectors throughout the fourteen Francophone countries. According to Débrix, eighty-five of these theaters belonged to COMACICO and sixty-five to SECMA.[23] The remaining theaters were in the hands of private businessmen, usually from Lebanon and Syria. However, these theater owners also depended on COMACICO and SECMA for their supply of film. The movie theaters were either managed by COMACICO or SECMA, who hired employees to run them, or rented to individuals at 75 percent of the box office receipts. In cases where the theaters were not theirs, COMACICO and SECMA contracted their films at 75 percent.

There were three types of movie theaters in Africa. The Salles de première vision, or the first-run theaters, were situated in the capital cities and frequented by Europeans and the African elite. They handled one feature film, one or two shorts, and a newsreel at a sitting. The Salles mixtes, with first-, second-, and third-class seats, were located in the heavily populated areas of the cities. They held double features at every sitting. Finally, there were the Salles populaires, which screened two or three features at a sitting. The popular theaters were located in the Medinas or ghettos. Débrix states, "In the first-run theaters films were shown for three days to one week before they were changed. In the mixed or popular theaters they were frequently changed after two days or daily by alternating them."[24] COMACICO and SECMA distributed 350 films every year. According to the records of the French government, 150 to 160 of the films were American, 90 to 100 were French, and 80 to 90 were Indian, Arab, and others.[25] It is interesting to note that COMACICO and SECMA were distributing American films in Francophone Africa without distribution rights from the American Motion Picture Export Association (AMPEA) (also referred to elsewhere in this book as the Motion Picture Export Association of America [MPEAA]). Prints of American films were sent to Africa from Paris during the colonial epoch and after independence, as if the new nations were still part of France. The AMPEA was not interested, at first, in Francophone Africa because, even though its films dominated the market, the African theaters were economically insignificant compared to other foreign markets. In the late 1960s, however, the AMPEA became interested in Francophone Africa, if not for an economic reason, for political and strategic reasons.

The COMACICO and SECMA bought films in Paris for prices ranging between Fr 8,000 and Fr 20,000. In the early 1960s the seat cost between Fr 1 and Fr 10, from the popular theaters to the first-run theaters. The films generated between Fr 200,000 and Fr 400,000 each.[26] With these structures in place, the profits soared for the COMACICO and SECMA as the number of spectators increased, and new theaters were built. The smooth operations of COMACICO and SECMA were troubled by the advent of independence in Francophone Africa, and several African countries created national societies to supervise the film industry. Nonetheless, by the time COMACICO and SECMA went out of business in 1972, the number of theaters had swelled to 250, and the two companies grossed an estimated 120 million French francs, or 24 million U.S. dollars, per year.[27]

The operations of the COMACICO and SECMA were also criticized by the Federation of African filmmakers. In the mid-1960s, after overcoming several difficulties to finance the production of their films, the first Francophone directors were shocked to find out that because of the block booking practices of the two companies, they could not show their films in their own countries. Such early classics as *Black Girl* and *The Money Order,* by Sembène; *Cabascado,* by Oumarou Ganda; *Concerto pour un exil,* by Désiré Ecaré; and *Le retour d'un aventurier,* by Moutapha Alassane, were seen for the first time in Paris while the monopolist companies prevented them from being screened commercially in Africa. Clearly, the COMACICO and SECMA preferred foreign films, which they bought at relatively derisory prices compared to African films, which had not yet recouped their cost of production. The filmmakers reacted by exerting pressure on their governments to nationalize distribution and film screening. This not only would provide choices in what films to screen but also would promote national production. The filmmakers argued that distribution and exhibition constituted an important industry that could contribute to the economic and cultural development of the countries. COMACICO and SECMA delayed this development by dumping escapist films on the market and by not investing their monies in Africa. Once the industry was nationalized, part of the revenues from screening foreign and domestic films could be reinvested in the production of new films and in the construction of new movie theaters. In 1971, SECMA surrendered to the pressure and participated in the production of a feature, *Diegue bi,* by Mahama Traoré. However, this only led to more polemics between the filmmakers and the monopolist companies because they could not agree on how to share the revenue from the box offices. In the late 1960s, the French government, concerned that a nationalization of the film industry might bar French films from the screens, put pressure on COMACICO and SECMA to adjust their markets to the postindependence needs of the countries. It is important to point out that by 1970, the Francophone market was dominated by French and American films, whereas American films dominated everywhere else in Africa and Europe. Mindful that the AMPEA might replace the French distributors after nationalization, the French government joined the Federation of African Filmmakers in their criticism of COMACICO and SECMA. However, the French Ministry of Cooperation argued that nationalization, as much as it provided a moral victory, was not a practical solution in view of the small sizes of the markets in Africa. It was therefore suggested to the African governments that they needed "a system to control the box-office receipts in each theater and in each country, and a step-by-step Africanization of the industry which permits the Francophone countries to rent together films for their theaters."[28]

Finally, two other factors contributed to the demise of COMACICO and SECMA in the late 1960s and early 1970s. While the AMPEA has had offices in Anglophone African capitals since the end of World War II and has supplied American films directly to the African intermediaries, there was no direct contact between the Francophone African countries and the AMPEA until 1969. American films were rented in Paris by COMACICO and SECMA and sent to Francophone countries. But, as Thomas Guback explained, after establishing themselves in Anglophone Africa, "American companies turned to French-speaking nations south of the Sahara, and AMPEA served as a precedent for strategy there. In September 1969, major American production-distribution companies created the West African Film Export Company Inc., but changed its name to AFRAM Films Inc. in December 1969."[29] AFRAM Films opened an office, first in Dakar, and distributed films from there.

The arrival of AMPEA in Francophone Africa threatened the monopoly of COMACICO and SECMA and helped the birth of at least one new distributor in the area. In 1972, AFRAM signed a contract with SOCOPRINT to distribute its films in Guinea and other Socialist African countries that had nationalized their industries. SOCOPRINT, a Swiss import/export company, created SOCOFILMS and began to compete for a share in the market. COMACICO and SECMA also had to contend with an increase in taxes on distribution and exhibition. In 1972, COMACICO and SECMA were defeated in Francophone Africa, mainly because of the political pressure of the filmmakers; the trend of nationalization and the high tax rates on film-related activities; the criticism of the French government, which did not want to estrange its former colonies; the arrival of AFRAM in the region; and the emergence of new distributors. The withdrawal of the two French monopolist companies led to complex maneuvers by governments and private businessmen to control the Francophone film industry. It is important to bear in mind that the task was easy for COMACICO and SECMA because they controlled both distribution and exhibition. With this situation, however, a distributor had either to rent films to one country at a time or to organize the countries so that they could rent films together. Both choices were difficult in view of the poor condition of communication in Africa, the small sizes of the markets taken individually, and the different political systems. It was in this sense that different strategies were used by each of the parties vying for the monopoly of the market. Since 1969, the strategy of AFRAM has consisted in opening offices in the Francophone capitals and renting films to local theater owners, if they exist, or to international distributors who have some monopoly in the region. As Guback pointed out, Africa "constitutes a tiny economic market for American motion pictures, but that continent's political importance cannot be denied."[30] Clearly, therefore, aside from the fact that the American film industry is creating a future market in Francophone Africa, the purpose of AFRAM is to ensure the American cultural presence with its films.

The French government, on the other end, created the Société de Participation Cinématographique Africaine (SOPACIA), a branch of the Union Général du Cinéma, to take over the stocks of COMACICO and SECMA. What the French government called a progressive Africanization of the film industry can be simply described as an attempt by SOPACIA to maintain the control of distribution, so as to ensure French presence on African screens, and to turn over the ownership and management of the theaters to Africans. SOPACIA used the same structures of COMACICO and SECMA with the only difference that it proceeded to sell the theaters to private businessmen in Africa. Some countries, including Guinea, Upper Volta, and Mali, had already nationalized their theaters. In other countries, such as Gabon, Ivory Coast, Niger, and Cameroon, the theaters went to private businessmen. Still others, such as Senegal, Benin, and Congo-Brazzaville, nationalized theirs in order to stop SOPACIA from selling them to foreign businessmen.

SIDEC is an important company of distribution and exhibition in Francophone Africa. The Africa Award (a reward to dynamic industries in the Third World by the International Review based in Madrid) went to SIDEC in 1985, indicating its stature in the eyes of the international business community. Aside from the fact that SIDEC regularly exhibits African films in Senegal, where it has a monopoly, it is also interested in coproducing with such directors as Souleymane Cissé of Mali.

SIDEC was created as a semiprivate company in 1973 by the Senegalese government and SOPACIA, a branch of the French Union Général du Cinéma, which had a 10 percent share. SIDEC has avoided many traps by restructuring what was left behind by COMACICO and SECMA. According to Yves Diagne, the agreement between SIDEC and SOPACIA was such that the French controlled all the transactions with their 10 percent share. SIDEC was forced to retain all the old employees of COMACICO and SECMA, and the route for film ordering was Paris, as in the old days. According to Diagne, "No transaction could be signed with other countries without the approval of Paris, no matter how important the deal was to the successful functioning of SIDEC. Without the consent of Paris, no contract could be signed with a person of Senegalese origin or a foreigner."[31]

It was therefore necessary for SIDEC to make important decisions if it were to survive. In 1977, American films that had been kept out of the market by SOPACIA returned, and the old employees of the French companies were fired. This restructuring led to a rupture between the SOPACIA and the SIDEC, which has since become a national company.[32]

The film industry is better organized in Senegal than in any other country in Africa. Senegal is the only country where it is possible to check the number of admissions in the theaters per month. Because there is no system in place in the other countries to control the number of tickets sold at a time, the statistics on admissions are approximated. SIDEC has the monopoly of distribution and exhibition, and with eighty sites of projection and an average of thirteen million spectators a year, it is able to survive modestly in Senegal alone. With a stock of five thousand films, an additional four hundred new films a year, and Dakar as the capital of the northern region, it was relatively easy for SIDEC to assume the role of international distributor first in Mali, Mauritania, and Guinea and later in the other regions. It is because of these economic factors that SIDEC is able today to employ five hundred people and generate an annual revenue of Fr 8 billion with a working budget of only Fr 1.5 billion. SIDEC now has customers in Niger, Ivory Coast, Gabon, and Cameroon.

Today fewer French films are shown in Senegal. Except for the blockbusters with popular actors like Belmondo, de Funes, and Delon, which SIDEC buys at high cost from SOCOFILMS, one rarely finds French films in Senegal. The reason for the scarcity of French films, as stated previously, is that the major distributors like Unifrance Films and Gaumont, since SIDEC was nationalized, refuse to sell films directly to it and force it to deal with SOCOFILMS, an action that raises the cost of French films for SIDEC. The Senegalese have reacted by showing fewer French films and more American films, which now dominate the market.

An understanding of how SIDEC functions first as a national industry in charge of distribution, programming, and exhibition will provide a structural model to those countries that have not yet organized their film industries. SIDEC encourages both public and private development of film activities in Senegal. It recommends tax rates to the government and subsidizes the Centre National de Production Cinématographique (CNPC) with part of the taxes levied from the distribution and exhibition of foreign films. It also uses some of the revenues to build new theaters and improve the condition of existing ones. Other national industries can benefit from this organization of SIDEC.

Even though AFRAM (an affiliate of the American Motion Pictures Export Association) was a nonprofit organization, it had the merit of ensuring the American cultural presence in Africa. On the other hand, international film distributors such as AFRAM and similar companies in Bombay and Cairo began to trade with intermediaries other than COMACICO and SECMA in Francophone Africa.

In this manner new distributors were born as intermediaries between the major distribution companies and what remained of the structure of COMACICO and SECMA. The Senegalese government in Dakar, in an effort to block the sale of COMACICO and SECMA stocks in the northern region to private foreign businessmen, created SIDEC. Once in possession of the stocks and the structure of COMACICO and SECMA in the North, SIDEC began to assume the role of an international distributor first in Mauritania and Mali, then in Guinea. Much like SIDEC in the northern region, SOCOFILMS, a Franco-Swiss distribution company, was trying to replace COMACICO/SECMA in the central and southern regions. In addition to these major new companies, smaller private distributors were sprouting everywhere. The situation was complicated by the fact that the former structures were replaced in Paris by SOPACIA—a new branch of the Union Général de Cinéma (UGC), which oversees the interest of the French film industry.

Meanwhile, as SIDEC and SOCOFILMS compete for monopoly of the market in Francophone Africa, there are those who wonder about the market's economic and political significance. Some critics believe that the French government should not bother itself about the loss of the African market because less than 5 percent of the income generated by French films comes from Africa. Others believe that the French cultural interest provided by the showing of French films is more important than the economic factors presently involved.

In France the Ministry of Foreign Relations is under pressure to ensure the French presence on the screens. The ministry is hesitating between dealing with SIDEC, which is an African company but with a relatively small working budget, or SOCOFILMS, which is large but, not unlike COMACICO and SECMA, without national roots in Africa. While the AFRAM has installed offices in Dakar, Abidjan, and Douala to supply the national companies (SIDEC and SOCOFILMS) directly with American films, the French distribution companies such as Gaumont and Unifrance Films only deal with

SOCOFILMS, arguing that the national distribution companies, including the SIDEC, are insignificant markets.

The 1995 Pan-African Film Festival

Every two years a unique kind of film festival takes place in the heart of Africa. Called FESPACO, or the Pan-African Film Festival of Ouagadougou, it attracts more than half a million spectators, doubling the size of the population of the city. Unlike the Academy Awards, where stars wear tuxedos and gowns as badges of belonging, in Ouaga, as people endearingly refer to the picturesque capital of Burkina Faso, filmmakers, politicians, and the culture elites come bedecked in multicolored traditional bouboues. Film is seriously linked to tradition, and this cinema festival unleashes traditional manners of dress, demeanor, and customs that are proudly exhibited in both the films and in reality during the rendezvous. The festival and the films communicate the ideal vision of Africa as united, economically and culturally strong, and equal to its counterparts in Asia, America, and Europe.

FESPACO attracts movie fans from the remote villages of Burkina Faso and the middle class from other African countries. The devaluation of the CFA (French African franc) made the 1995 festival (the fourteenth) particularly attractive to tourists from Europe and America. The African American contingent, formerly a strong and emotional presence, has become smaller and smaller since the bloody coup d'etat that ended the regime of Thomas Sankara, known for his support of Pan-Africanism. This year's celebrities included Winnie Mandela and Wole Soyinka, both now controversial media personalities in their own countries; their attendance created, therefore, a diplomatic controversy fanned by gossip and rumors in a city where the oral tradition sweeps everything like a bushfire. Because of her radical opposition to apartheid, Winnie Mandela was considered a threat to South Africa's smooth integration into Africa's most important media event. Mandela's country arrived with films that denounced the violence of a postapartheid society, but stopped short of racializing the issue. Meanwhile, a South African TV news network, M-Net, was busy selling its programs to different countries. It is rumored that M-Net's ambition is to replace CNN in Africa.

Ouaga busts loose in every direction during the week of the FESPACO. The major streets around the Hotel Independence, center of the main activities, are closed, and vending stands are placed along both sides of the streets to peddle anything from tourist arts, local fabrics, grilled brochettes, and condoms. The hotels in Ouaga count one thousand rooms in total, and the number of reservations exceeded three thousand this year, as in the past, forcing the festival organizers to reopen temporarily some hotels that were forced out of business after the devaluation of the CFA currency.

There is loud music everywhere in the streets from 7 A.M. to 3 A.M.; people consume as if to assert their existence, and one cannot help but to wonder whether the economic and cultural buoyancy of FESPACO is not what Africa desires most but what has most eluded it. The day after the festival the consumers will vanish and the venders with them. The African films will coyly cede their place to American, Indian, European, and Kung Fu films for two years until the next FESPACO, and Ouagadougou will be deserted like a movie set after the shoot.

The 1995 festival was celebrated under the theme of "Cinema and History," in commemoration of the centenary of film. Burkina Faso received a check of more than $400,000 from the European Funds to organize the 1995 festival, and an additional half a million to start building a cinematheque to house African films and ethnographic films about Africa. Because of FESPACO and the new cinematheque, many people are calling Ouaga the Hollywood of Africa.

In fact there is a conflict growing around the construction of Ouaga as the symbol of African cinema that some filmmakers perceive more and more as the ploy of the government of Burkina Faso to consolidate itself as a visible regional power and less as an attempt to emulate Hollywood, where the modes of production are characterized by the packaging of stars, spectacular productions, and distribution and exhibition strategies, at the expense of the artistic and political concerns of oppressed groups. African cinema, long established as an auteur cinema, in which the spirit of Pan-Africanism dominates other thematic concerns, is every bit different from the Hollywood style. But these ironies notwithstanding, filmmakers who had been critical of the festival in 1993 were either put in hotels far away from the spotlight of the Hotel Independence this year or not invited at all.

African women filmmakers were particularly insulted by a conference organized around the centenary of cinema and devoted to African women and film. Anne Mongai, a Kenyan woman filmmaker, criticized the composition of the panels, which included mostly men or political figures like Winnie Mandela, who are not filmmakers. Kadiatou Konate, a female filmmaker from Mali, challenged African men to open their eyes and minds to other types of women besides mothers. She pointed to a contradiction in the discourse of men who want African women to combine both the qualities of traditional mothers and modern filmmakers. To be modern, Konate asserted, is to emancipate one's body from the stereotype of motherhood, to define one's own destiny, and sometimes to break with tradition.

But the great enchantment of FESPACO in 1995 came from the films themselves, which have climbed to new heights in the search for African spectators. African cinema added its first stone to the architecture of world cinema in 1963 when Sembène Ousmane directed *Borom Sarret,* a social realist account of the tale of two cities in Dakar (Senegal). Sembène's discovery was that film could be used to give Africa back its dignity, just as it had been used by colonialist and racist films to take it away. Many imitators followed Sembène's path and enriched his school of African cinema, but the form of African cinema, itself, was not significantly changed to show a variety of stylistic temperaments and digressions. To use a musical metaphor, since Sembène's *Borom Sarret,* African cinema was only playing the drums. There are few exceptions as exemplified by the magical realism of *Yeelen* (Souleymane Cissé), the postmodern collage of *Touki Bouki* (Djibril Mambety Diop), the cinema of minimalism (few words and precise gestures) of *Tilai* (Idrissa Ouedraogo), or even the historical genre as attempted by Sembène himself in *Ceddo;* but these films only shook the genre and did not break it. The Sembènian cinema, a vision of the world struggling between tradition and modernity, continued to dominate African cinema like the trees that hide the forest, at least until 1995.

The year 1995, too, had its share of social problems films putting into play the themes of Afro-pessimism: the plight of children in Africa, the spread of AIDS, the devaluation of the CFA currency, female genital mutilation and other forms of oppressing women in Africa, corruption and alienation of Africans from their own "true traditions," racism, and damage to the environment. Many of the films were made on order for European institutions that often thrive on portrayals of Africa's tragic situation, but with little understanding or desire to meet people on their own ground. It is fortunate that the majority of these so-called films are merely television reportages that deal with subjects that may need public exposure, but in a way that does not advance the language of African cinema.

Problem films treat Africans like objects that the director speaks for and not as subjects with different desires regardless of their social conditions. Understanding the small differences between human beings and following them with a camera is the way to adventure at the end of the block—a discovery of the power of human beings, cinema tout court. Four new African films gave us just that at the 1995 FESPACO: *Guimba* (Mali), by Cheick Oumar Sissoko; *Keita: The Heritage of the Griot* (Burkina Faso), by Dani

Kouyate; *Haramuya* (Burkina Faso), by Drissa Toure; and *Le Franc* (Senegal), by Djibril Mambety Diop. These are the films to put on your calendar for the next New York Film Festival, the New Directors' series, or the Africa Film Festival at the Lincoln Center. Some American fans of African film are already familiar with the films of Cheick Oumar Sissoko (*The Garbage Boys,* 1986, and *Finzan,* 1989) and Djibril Mambety Diop (*Touki Bouki,* 1975, and *Hyena,* 1993). Drissa Toure, a truck driver and chauffeur for more than five years, now has two feature films to his credit: *Laada,* in 1993, and *Haramuya;* the only first-time feature filmmaker among them is Dani Diabate with *Keita.*

Guimba opens with a modern day Griot playing his stringed instrument, called Ngoni, by the side of the river Niger, and reciting the epic of Guimba the Tyrant. Then the camera pans left on the water, revealing the world of Guimba, where the costumes are arresting and the architecture magnificent. The characters, for the most part, are bigger than life, leaving behind the social problems films in which the characters are smaller than the spectators.

Guimba, the winner of the Grand Prix prize, reminds the spectator of Souleymane Cissé's *Yeelen,* but, only this time, there is a well dressed plot with more conflicts, more costumes, and a display (Djenne and Timbuktu styles of architecture) of fortress doors, walls, interiors of houses, and rooftops. Both *Yeelen* and *Guimba* are based on the last Bambara and Dogon empires in the nineteenth century, before the French colonized the region. During that time, the hunter societies, called the Donzons, were the most dangerous warriors because they had mastered the secrets of the wilderness as well as those of civilization. Their words had the power to take life away from the living, to stop time, or to render themselves invisible. Cissé in *Yeelen* and Sissoko in *Guimba* suspend their notions of disbelief and let their cameras meet with these Bambara and Dogon mythologies. Both films, in this sense, are poetic, magical, and layered with symbols.

Guimba is about power, how people will not willingly share it and how it blinds those who hold it. It is a metaphor of African dictatorships of the postindependence era. The film tells the story of a tyrant king by the name of Guimba who kills his enemies, throws them in jail, or sends them into exile. He is so fearsome that his hat always covers his eyes, like the general-presidents for life who wear dark glasses and entertain themselves by watching other people suffer. In other words, *Guimba* is about the tropical fascism that has plagued Africa for the last thirty years of independence.

Guimba educates his dwarf son to succeed him by repeating to him that power is not to be shared and that it always has to be exhibited in order for people to respect it. Guimba's problems begin when he chooses a fiancee for his son. Before the marriage, Guimba Jr. realizes that he likes the mother of the bride better than the bride because of her more shapely buttocks. The father then decides that he will marry the daughter himself, while the son will marry the mother, whose husband is sent to exile. It is at this point that the oppressed people send for a savior from the hunters' group to come and deliver them from Guimba. A magical confrontation ensues with a reenactment of Bambara war scenes, stylized gestures, and a deployment of words as weapons.

Keita: The Heritage of the Griot also deploys the technique of the Griot as the basis for telling its story. The discovery of the Griotic style of narration, a device of storytelling long known to people of West Africa, has enabled the directors of both *Guimba* and *Keita* to reach wider audiences at FESPACO and to fascinate spectators with elevated forms of the Mandinka and Bambara languages of which the Griots are considered the guardians.

Keita, a very simple story about the education of children in contemporary Africa, takes on an epic dimension when the director connects the life of the protagonist to that of Sunjata Keita, emperor of old Mali, in the thirteenth century. This is Griotism in African storytelling because everyone's fate is tied to everyone else's, and to history. It is as if, for a moment, our lives depend on the outcome of the films.

Keita opens with an old Griot who suddenly appears in a modern African family to teach the young son the history of his ancestors. The plot enfolds when the eye of the camera slowly merges with the Griot's voice, which clashes with the education the boy receives at school. Modern education in Africa contains very little African history, especially at the lower level, where French and English are emphasized at the expense of African languages and cultures. The boy becomes fascinated with the Griot's story, and his school work begins to suffer. Both the teacher and the boy's mother try to remedy the situation, but it proves contagious as the boy narrates the Griot's teachings to other children in the class.

By locking the Griot into a complicity with the camera and against the Francophone system of education, which forces the African children to forget a part of their past for every word learned in French, the film clearly states that there is a split in the identity of modern Africans. This is a controversial statement, for sure, but one that will meet with many sympathetic ears both in Africa and elsewhere in the wake of Afrocentric education.

The Jury in Ouaga awarded *Keita* the *Oumarou Ganda* prize for Best First Film by a director but criticized it for relying heavily on the Griot to tell Sunjata's story, instead of showing it on the screen as did *Guimba.* But there are advantages to *Keita*'s narrative strategy, which distances the spectator from the spectacle in the Sunjata epic and emphasizes the conflict between the Griot and the school teacher, thus putting into context the tragedy of modern education in Africa.

Le Franc and *Haramuya,* on the other hand, derive their originality from the deployment of nonlinear and multiple stories about modern African cities. Drissa Toure's *Haramuya,* with its mise-en-scène of several characters and stories occupying the same space without connecting their lives, reminds us of Robert Altman's *Short Cuts. Haramuya* is set in Ouagadougou, a city with rising unemployment, Moslem fundamentalism, juvenile delinquency, and more motor bikes than anywhere else in West Africa.

The film focuses on bike thieves, corrupt civil servants and Lebanese businessmen, religious fundamentalists, drug dealers, prostitutes, and the CFA currency devaluation. It provides a glimpse of the Ouagadougou that one does not see during FESPACO. Perhaps for this reason it was severely criticized during the festival for not telling a coherent story. But there are no coherent stories in the lives of city dwellers; there are contradictions instead, people who use the same streets for different purposes. The pleasure of *Haramuya* does not lie in closure, which the critics expected from the film, but in such moments as when the fundamentalist school teacher had one of the pupils mistakenly deliver a sac of marijuana to the sheep for their feed.

I will now turn to *Le Franc,* by Djibril Mambety Diop, to finish this survey of great films at FESPACO '95. *Le Franc* also takes place in an African city, Dakar, after the devaluation of the CFA currency. Francophone Africa from Dakar (Senegal) to Douala (Cameroon) was rocked by the devaluation, leaving people to feel the impact every hour, every day, and every month. In the urban areas, where small entrepreneurs, the middle class, and the underclass conglomerate, the devaluation, commonly referred to as "devalisation," is like a divine retribution that passes through people's grief with a perverse eye, or like a cholera epidemic in a dry Harmattan season. The price of gasoline has doubled as has the prices of other imported goods. In Dakar, there are more beggars in the streets. The middle class itself is devalued and pushed out of the center of the marketplace, joining the underclass on the margins, and leaving restaurants, movie theaters, and clothing stores to tourists.

Le Franc uses this backdrop as the base of its story and enfolds some of the most fantastic and magic realist moments in African cinema. Marino, the protagonist of the film, is a musician whose Congoma or accordion is confiscated by his landlady, Aminata Fall, because he is unable to pay the rent. The lottery is his only chance to win his instrument back and to rise above misery. He plays and wins, but he does not want envious eyes to see him removing the winning ticket from behind the poster of his idol on the door. He removes the door and travels across town with it, all the way to the ocean. On his way, atop a bus, sitting on his door frame, he dreams of repossessing his Congoma and conquering the world while playing it. He also has visions of Aminata Fall, symbol of American capitalism in Africa, who sings his praises now that he has become rich. Aminata Fall emerges, bigger than life, speaking a hybrid of Wolof, French, and American English, before bursting into a blues song that echoes a catalog of hits from Mae Rainey and Bessie Smith to Billie Holiday.

The references to money, capitalism, and the good life as symbolized by music and clothes are so surreal that they create an African sublime. The film uses strong colors: jet black, which distinguishes Senegalese from other West Africans, red, green, and yellow, which are the favorite colors of people in the streets, and blue, which is the color of the sky, the ocean, but also the plastic garbage bags that cover the ground for miles.

Le Franc, forty-five minutes long, won the award for Best Short Film at FESPACO. But most importantly, it completes the trilogy of Djibril Mambety Diop that began with *Touki Bouki,* and *Hyena.* With these three films, Diop's cinema poses the most serious challenge to the Sembènian social realism. In Diop's oeuvre, too, we are positioned in front of a window looking at Dakar, the narrow and intimate streets of the Medina, the metropolitan centers of the Plateau, the beaches, and the spots under the baobab trees. Some of the characters, like Aminata Fall, are in all three films, playing more or less the same roles. Another strength of Diop's cinema is that it draws its inspiration from music and other films, creating a resemblance and familiarity between his mise-en-scène and those of Western and B-movies.

In conclusion, FESPACO '95 was saved by the films. It is unfortunate that what began with a Pan-African spirit is becoming more and more nationalistic. Even the awards emphasize the movement toward nationalism as the winning films become symbols of national pride and signs of cultural superiority over the countries that did not win. This situation has unwittingly created the basis for ethnocentrism, not to mention tribalism, in a region that is desperately in need of larger markets for the films than the ones celebrated by the nation-state.

The devaluation of the CFA currency, like other structural adjustments that caused states to close factories and lay off people, should have turned people against the nation-states as well; the colonial boundaries adapted by independent states only serve to divide families on each side of the borders. Equally, they limit markets and prevent the universalization of dynamic African cultures beyond one nation-state. Unfortunately, African cinema at FESPACO activates more passion for nationalism among the people. The devaluation has induced some to call for their country's second independence from France, the World Bank, and the International Monetary Fund. Let's hope that the new African cinema, too, will embrace Pan-Africanism over nationalism.

Notes

1. Jean-René Débrix, "Le cinéma africain," *Afrique Contemporaine*, no. 38–39 (1968): 7.
2. Jean Rouch, *Film ethnographiques sur l'Afrique noire* (Paris: UNESCO, 1967), 395.
3. Rouch, 399.
4. On the West German contribution to Ghanaian production, see Manthia Diawara, *African Cinema: Politics and Culture* (Bloomington: Indiana University Press, 1992), 1–11. See also John Collins, "NAFTI Leads the Way: Interview with Kweku Opoku, Director of the National Film and Television Institute in Ghana," *West Africa* 3477 (1984): 769–70.
5. Guy Hennebell, "Entretien avec Jean-René Débrix," *Afrique littéraire et artistique*, no. 43 (1975): 81.
6. Paulin S. Vieyra, *Le cinéma et l'Afrique* (Paris: Présence Africaine, 1969), 184.
7. Vieyra, *Le cinéma et l'Afrique*, 184.
8. Francophone African directors were forbidden to film Africa by the Laval Decree. See Diawara, 21–34.
9. Vieyra, *Le cinéma et l'Afrique*, 186.
10. Débrix, "Le cinéma africain" (38–39), 10.
11. See Diawara, 21–34.
12. According to Bachy, "The structure of production was lacking everywhere [in Africa]. Filmmakers who, one must admit, were idealists created their own production houses. Besides their courage they had no other means of production, but they counted, partially, on the help of the Cooperation Francaise. Their production companies had as names: Pascal Abikanlou: Abiscal Films in Cotonou; Daniel Kamwa, D.K.7 Films in Douala and Paris; Désiré Ecaré, Les Film de la Lagune in Abidjan; Oumarou Ganda, Cabas Films in Naimey; Philippe Maury, Les Film Philippe Maury in Libreville; Sembène Ousmane, Les Film Domirev in Dakar; Med Hondo, *Les Films du Soleil O* in Paris; and others." See Victor Bachy, "Panoramique sur les cinemas sud-saharies," *CinémaAction* 26 (1982): 27.
13. See Diawara, 35–50.
14. Diawara, 35–50.
15. Paulin S. Vieyra, "Le cinema au Sénégal en 1976," *Présence Africaine*, no. 207 (1978): 207.
16. Mahama Traoré, interview by Manthia Diawara, tape recording, Los Angeles, Calif., 1983.
17. See Diawara, 35–50. See also Farida Ayari, "Vers un renouveau du cinéma africain: Faut-il dissoudre la FEPACI?" *Le Continent*, 9 March 1981, n.p.; and "L'oeil vert," *Le Continent*, 10 March 1981, n.p.
18. Vieyra, *Le cinéma et l'Afrique*, 172, 187 (for more details on censorship in Senegal).

19. Vieyra, "Le cinéma au Sénégal en 1976," 210–17.
20. Traoré, interview.
21. Rouch, 1–9.
22. Rouch, 1–9.
23. Jean-René Débrix, "Le cinéma africain," *Afrique Contemporaine,* no. 40 (1968): 2.
24. Débrix, "Le cinéma africain" (40), 3.
25. Débrix, "Le cinéma africain" (40), 4.
26. Débrix, "Le cinéma africain" (40), 4.
27. See Inoussa Ousseini, "La fiscalité cinématographique en Afrique noire francophone," *Film Exchange* 17 (1981): 37–39. See also Gaston Same and Catherine Ruelle, "Cinéma et télévision en Afrique: De la dépendance a l'indépendance," *Communication et Société* 8 (1983): 11.
28. See Pierre Roitfeld, Afrique Noire Francophone report for *Unifrance Film,* September 1980, 72. See also Victor Bachy, "La distribution cinématographique que en Afrique noir," *Film Exchange* 15 (1982): 36–41.
29. Thomas Guback, "Hollywood's International Market," in *The American Film Industry,* rev. ed., ed. Tino Balio (Madison: University of Wisconsin Press, 1985), 6.
30. Thomas Guback, "American Films and African Market," *Critical Arts* 3.3 (1985): 6.
31. Yves Diagne, untitled manuscript (Dakar: SIDEC, 1975), 262.
32. "La SIDEC est sur la voie de redressement," *Le Soleil,* 7 February 1977.

9

South Africa

Arnold Shepperson and Keyan Tomaselli

Introduction

Cinema covers a wide range of activities, ranging from the glamour and drama of production, through the technical wizardry of postproduction, to the humdrum business of distribution and exhibition. Alongside these are additional sectors like publicity, training of personnel for the various functions, and finally the whole film criticism subsector covering magazines, trade publications, and newspapers. In addition, there are supply companies that provide equipment and technology—cameras, lighting, editing, film stock, and so on. In general, these multiple activities constitute an "industry." The film industry is a sector of economic activity in which sometimes widely disparate activities result in a coherent set of value-added products and services for public and trade consumption.

Markets and distributors outside the United States tend to be narrower and less wealthy than their American counterparts. However, this only means that domestic viewers see fewer indigenous productions; distribution and exhibition systems readily absorb the U.S. products and operate profitably with this resource. Governments may step in to counter the preponderance of U.S. titles by providing financial incentives for locals to produce "indigenous" cinema—tax breaks and/or subsidies. They can also provide disincentives—screen quotas and/or state ownership of the means of production—to the spread of imported titles.

The South African situation is a significant example because of the relation between cinema arrangements prior to 1990 and those that emerged from the very high-profile political changes after 1990. We examine the transition from apartheid to beyond in relation to the conditions that existed before 1990, using a political-economic framework. Changes in ownership patterns of the existing systems of distribution and exhibition, and how the new players in the field may alter or reproduce relationships that had become cemented during the apartheid years, are the objectives of this study. The following historical sections provide a baseline for our later discussion on black economic empowerment after 1990, the year in which bans on antiapartheid liberation movements were removed.

Cinema Before Apartheid

Between 1910 and the beginning of the 1990s, South African cinema was fairly active, producing seminal films ranging from *De Voortrekkers/Building a Nation* (1916) to Jamie Uys's internationally popular *The Gods Must Be Crazy* (1980, 1989). The first fiction film, *The Great Kimberley Diamond Robbery,* or, alternatively, *The Star of the South,* was made in 1910 by the Springbok Production Company.

A systematic production of topical shorts occurred with the formation of Africa's Amalgamated Theaters in 1911. Toward the end of 1912, a series of publicity films inspired by the editor of the publication *African World* were designed to attract attention to South Africa as a destination for British capital and enterprise.[1] By 1913, Africa's Amalgamated Theaters was providing national coverage, and on May 5 the company inaugurated *African Mirror,* destined to be the world's longest running cinema newsreel. In the same year, *African Mirror* was subsumed by the multinational Schlesinger organization as it systematically bought up early film and entertainment industries.

Schlesinger was an American immigrant who rapidly built up a multinational insurance empire from Johannesburg. His holdings included African Film Productions (AFP), the distribution company African Consolidated Films (ACF), exhibited via African Consolidated Theaters (ACT). Originally, American interests had contracted to distribute their titles through ACF for showing in ACT venues. All attempts by the U.S. companies to obtain a foothold in South Africa were blocked by the Schlesinger company until 1956, when Twentieth Century-Fox bought out Schlesinger's interests.

The production arm of the Schlesinger organization was called the African Film Trust's Production Unit and continued as a subsidiary of African Films Trust (AFT) until 1915, when African Films Productions Ltd. (AFP) was floated. During this initial period, "production progressed both in quality and scope to an astonishing degree."[2]

It was 1916–1922, however, that saw a spurt in feature film production. This activity resulted from war conditions that had affected the regular supply of imported fare and, more importantly, the fact that American movies, which formed the bulk of programs, commanded high market prices. That AFP was able to take advantage of the unsettled conditions caused by World War I and make "South African films for South African audiences" that could also be sold overseas accords with the postulate that the development of national industry—in this case film production—is primarily a response to weakened ties with central or imperialist states.[3] A large, sophisticated studio was built by AFP on the outskirts of Johannesburg, and a well-known American producer, Lorimer Johnston, was engaged in 1915. Johnston was joined by Harold Shaw, also an American, who had worked for Thomas Edison before being engaged as a producer by London Films in England.

In 1916, fifteen films were made, most directed by Johnston and Shaw. *A Zulu's Devotion* and *The Liquor Seller* pioneered the featurette in South Africa. Most notable amongst the 1916 list was the large-budget twenty-thousand pound *De Voortrekkers/Winning a Continent,* scripted by Voortrekker descendent and historian Gustav Preller and directed by Harold Shaw. This historical epic dramatically illustrated the dominant British imperialist ideology through an interlock of fiction, history, and myth. The film was imbued with a painstaking attention to detail, props, and costumes, as well as a powerful sense of place and environment. When American producers were using white actors painted black, Shaw employed six thousand actual black extras as Zulu warriors and main actors. Hailed in Britain as the "most notable film of the year," this epic set cinematic standards rarely since matched by South African cinema.[4]

The magnitude of *De Voortrekkers/Winning a Continent* was totally out of proportion to the size of South Africa's nascent film industry. It is said to have inspired the American epic *The Covered Wagon* and has been described as "A South African *Birth of a Nation.*"[5] The British *Kine Year Book* ranked the film as one of the most important after Griffiths's *Intolerance,* which was widely seen by South African audiences.[6]

Between 1916 and 1922, thirty-seven features were made, with a staff of about eighty permanent employees. Subjects were rooted in the historical, cultural, and ideological outlook of the period, with Boer and Briton standing together under the banner of civilization against the barbaric black tribes of the subcontinent. Fiction was interwoven with actuality, and social, racial, and historical contradictions were smoothed over in the interests of capital and ideology.[7]

South African production declined rapidly after 1922, as the country was unable to compete with the United States, was too far away from world markets, and lacked the financial power to muscle in on global distribution. No longer able to accumulate capital on the scale required within South Africa, it became necessary for Schlesinger to invest at least part of his profit either in the same industry but in a different country with different composition of organic capital, technological expertise, and domestic market or to relocate surplus profits in South Africa but in different industries characterized by different organic compositions of capital, expertise, and market.

Schlesinger followed both courses: In South Africa he moved capital through a variety of enterprises including property, insurance, cinema, theater, radio, retailing, and newspapers. He also invested heavily in the British film industry, exporting capital into an economy where it was subject to greater prospects of valorization. This move was also aimed to stave off the threatened infiltration of American capital into the distribution and exhibition divisions of South African cinema. After 1928, Schlesinger also mobilized his British investment to secure his South African market against a determined domestic competitor, Kinemas, by securing the source of its film supply. Apart from Schlesinger's International Variety and Theatrical Agency (IVTA), which had been operating in London since 1916, he was appointed to the board of directors of the public company, British International Pictures (BIP), established in early 1927.[8] BIP was able to take advantage of a market secured by the quota legislation. Apart from his production interests, Schlesinger had also acquired ten cinema and music halls in London itself. By the end of the 1920s, BIP was the largest and most successful production company in England.[9]

In December 1926, Schlesinger formed the British International Film Distributors (BIFD), which also owned a production company. BIP emulated Hollywood themes and treatments aiming at glossy and opulent productions invested with talent that had proved itself elsewhere. While Hollywood's hold on the British market was pronounced, quotas being the only way its grip could be lessened, Hollywood was in a weaker position in South Africa. Its attack on this market was forestalled by Schlesinger's command of the South African exhibition and distribution networks and was unable to break his close economic links with the British industry.

Between the years of 1938 and 1956, Twentieth Century-Fox operated on a distribution basis only and paralleled the South African competitor to Schlesinger, Kinemas, established in 1927. This competition marked another period of heavy investment by domestic capital. In December 1938 further centralization occurred with United Artists (UA) exhibiting through Fox-controlled outlets. This cooperation was the result of complex financial maneuverings between UA, Twentieth Century, and Fox in the United States, where the newly merged company, Twentieth Century-Fox Film Corp., had in 1935 acquired, through Sam Goldwyn, Twentieth Century stock in UA while the real estate was retained by Fairbanks and Pickford of UA.[10] UA in South Africa maintained a separate distribution office, having moved from Metro-Goldwyn-Mayer (MGM), which was still partially tied to ACT. In July 1939 UA consolidated its position by opening a distribution office in Johannesburg. Nevertheless, the two firms continued to distribute their films on a cooperative basis providing serious opposition to ACT, surpassing that offered earlier by MGM. Working through local capital in the form of Cinema Theater Investments (Pty) Ltd., cinemas serving Fox were built at a fast pace, totaling fifty by 1939. Concurrently, ACT and ACF were equally active, and by 1939 South Africa boasted the highest cinema per capita ratio in the world, that is, one cinema for every four thousand whites (in Johannesburg).[11]

With the outbreak of the World War II, the South African market assumed an even greater importance, as the Hollywood market had been halved.[12] This local market, however, focused on whites, since few blacks could afford the expense of cinema-going. ACT still held the upper hand in terms of quality and its access to the MGM catalog. It also had a more sophisticated marketing policy and actively exploited subcultures of taste that the more dated product and B-grade films were unable to match. The only advantage Fox had over ACT was in the form of their more luxurious theaters.

The period following Fox's entry eventually stabilized, extending well into the 1950s. By 1954 over five hundred cinemas served the mainly white South African population.

The TV Era: The Demise of South African Control

The early 1950s saw cinema faced with the unprecedented threat of television on an international scale. Cinema did not become obsolescent but branched into television itself and continued to produce films for feature release in parallel with television. Neither medium overtook the other but together created opportunities for the new means of production.[13] However, despite television's separate derivation, it impinged on the traditional market of cinema, which caused a crisis in the film industry. Since the 1920s, cinema had operated in a sellers' market, where the supply grew more slowly than the demand. By 1950, however, such was the impact of television that it was feared that cinema would be swamped in much the same way that bio-vaudeville's demise had been hastened by sound. This crisis was manifested in a falloff in audiences and a radical reduction in the cinema market.

The conditions in the international arena were of significance to the structure of ownership and control of the South African film industry. Not faced with the domestic threat of television, this country offered prospects of high valorization for international capital stemming from the distribution and exhibition divisions of the film industry. The American domestic industry was characterized by falling production and the closure of cinemas.[14] The difficulties of expanding internal markets because of the siphoning off of audiences by television forced the process of capital accumulation to follow an international course. In South Africa, the American majors had few competitors, for although an intense competitive struggle was occurring between the large imperialist powers as far as other industries were concerned, American distributors had already forced their dominance on the South African market either through tie-ups with ACT and ACF or by means of their deployment of local capital, as was the case with Kinemas and the more recent chain instituted by Fox. The international concentration of capital did not mainly take the form of an international centralization of capital but pitted the two South African companies against each other. As already mentioned, this period was characterized by increasing international interest in capitalist enterprises external to the home market, but this concern did not extend to any notable infusion of capital.

African Theaters and Kinemas survived to the end of 1931, but with some difficulty. The combined effects of the Depression, overcapitalization, uneven audience attendance, particularly in the smaller towns (affecting Kinemas more than African Theaters), and the sustained competition for the same audience created the conditions whereby only an amalgamation could safely ensure the future of the industry. The merger between Kinemas and Schlesinger was announced on December 2, 1931, and the resulting companies were ACT and ACF. The former was purely administrative and did not acquire either the theaters or the properties of the two companies whose joint interests it controlled. It was granted leases of all the cinemas and theaters belonging to both circuits while Kinemas contributed not only its circuit and distribution agency but also a small production house as well. This merger was one of the biggest business deals ever transacted in South Africa.[15]

The threat of television ultimately led to a higher standard of cinema and a production industry that remained commercially viable throughout the world. The significance of these processes for South Africa lay in its undivided market and hence its potential susceptibility to the international, predominantly American, expansion (i.e., centralization) of capital. This normally coincides with the period of late capitalism where the multinational company becomes the determinant organizational form of big capital. In South Africa, this occurred in the Twentieth Century-Fox buyout of Schlesinger's interests in 1956. For its record $26 million, Fox got all of ACT, ACF, Filmlets, Boswell's Circus, African Caterers, and many smaller companies.

Cinema During Apartheid

The industry rapidly fragmented along racial and linguistic lines as the implementation of the ruling National Party's apartheid strategy went ahead after 1948.[16] Fox operated well within apartheid policy but eventually began to lose ground to domestic competitors who were much more in touch with the needs of South African cinema audiences.

Shifts in the political economy of South African film distribution were heralded in the late 1960s when Afrikaner-dominated insurance giant SANLAM (South African National Life Assurance Mutual) formed a shell called SATBEL (Suid Afrikaanse Teaterbelange Beperk—SA Theater Interests Ltd.). SATBEL took over the operations of independent drive-in and indoor group Ster (Star) Films, established in 1957. As Fox's management style and capitalization policies became unwieldy in the face of emerging trends in cinema viewing, SATBEL bought out Fox in 1969 and renamed its operations Kinekor. At first Ster and Kinekor remained formally separate groups within SATBEL, and other U.S. players continued more or less as before.[17]

MGM, which had begun to lose penetration in the all-important U.S. market, joined forces with Cinema International Corporation (CIC) in the mid-1970s to continue marketing in South Africa through the CIC-Metro theater and distribution chain.[18] Both Ster and CIC-Metro distributed films by means of agreements with independents, and both Ster and CIC-Metro titles cross-played in each other's venues. After a series of restructuring maneuvers during the following years, SATBEL eventually controlled horizontal and vertical monopolies covering production, distribution, exhibition, studio property, publicity, booking, and just about every other imaginable facet of cinema. As much as 43 percent of exhibition venues were directly owned by SATBEL.[19]

The introduction of broadcast television in 1976 saw an immediate decline in cinema attendance. By 1979 Ster and Kinekor had merged to form Ster-Kinekor and operated under agreement to distribute U.S. products from Fox, Orion, Disney, and Avco-Embassy. Ster-Kinekor also distributed films from other centers, for example, Rank and Anglo-EMI of the United Kingdom. Other overseas interests had once again realigned themselves into the CIC-Warner group. The latter organization was half-owner, along with South African group MGM Film Trust, of the Cintrust distribution network. Cintrust, in turn, had contracts with U.S. majors like Paramount, CIC, Warners, and Universal.

Television viewership stabilized around 1978, and by 1979 the cinema-going public had increased to levels greater than before 1976.[20] The ownership and control of the industry in 1979 is shown in figure 9.1.

Jamie Uys's Mimosa Films was set up in 1977 to coordinate South African independent producers and thus secure more favorable distribution with the independent exhibitors (all or most of whom were dependent on Ster-Kinekor and CIC-Warner for first-run releases). Within two years Mimosa had folded and its assets taken over by Ster-Kinekor.[21]

As events unfolded, and as the cultural boycott bit deeper during the 1980s, developments slowed down in terms of international distribution linkages with South Africa. Coupled with the chaotic state of the production subsidy system and the growing monopolistic tendencies in distribution and exhibition, South African cinema production more or less collapsed but for the ongoing work of independent producers like Anant Singh *(Sarafina, Cry the Beloved Country, Paljas)* and a large number of subsidy-and tax-driven international coproductions (e.g., various *Ninja* movies).[22]

By the late 1990s, fewer independent feature film producers existed than in the heyday of South African Afrikaner film production between 1961 and 1980.[23] Ster-Kinekor had strengthened its grip on distribution and exhibition, and the CIC-Warner group was transmuted into the Nu-Metro organization following the relaxation of trade sanctions after 1990. The material conditions of inequality, in a wider appreciation of South Africa's film industry, were stated thus: "The current 435 or so cinemas are owned by two chains which mostly serve formerly white and Indian areas. This total plus the 120 independently owned theaters contrasts sharply with the 28 currently serving the bulk of the black population living in urban townships. Rapid township expansion on a franchise basis by a new company is . . . serving residential areas outside the mainly white catchment areas of the two major cinema chains."[24]

Independent chain Avalon Theaters (see below), owned by a South African of Indian heritage, fought back in 1995 and won a key Supreme Court injunction against Ster-Kinekor for infringing on its market catchment area in Durban. Avalon's managing director, Moosa Moosa, began reestablishing Avalon's market share countrywide and fought to rectify historical imbalances via the courts and state committees committed to redressing the racist consequences of economic apartheid.

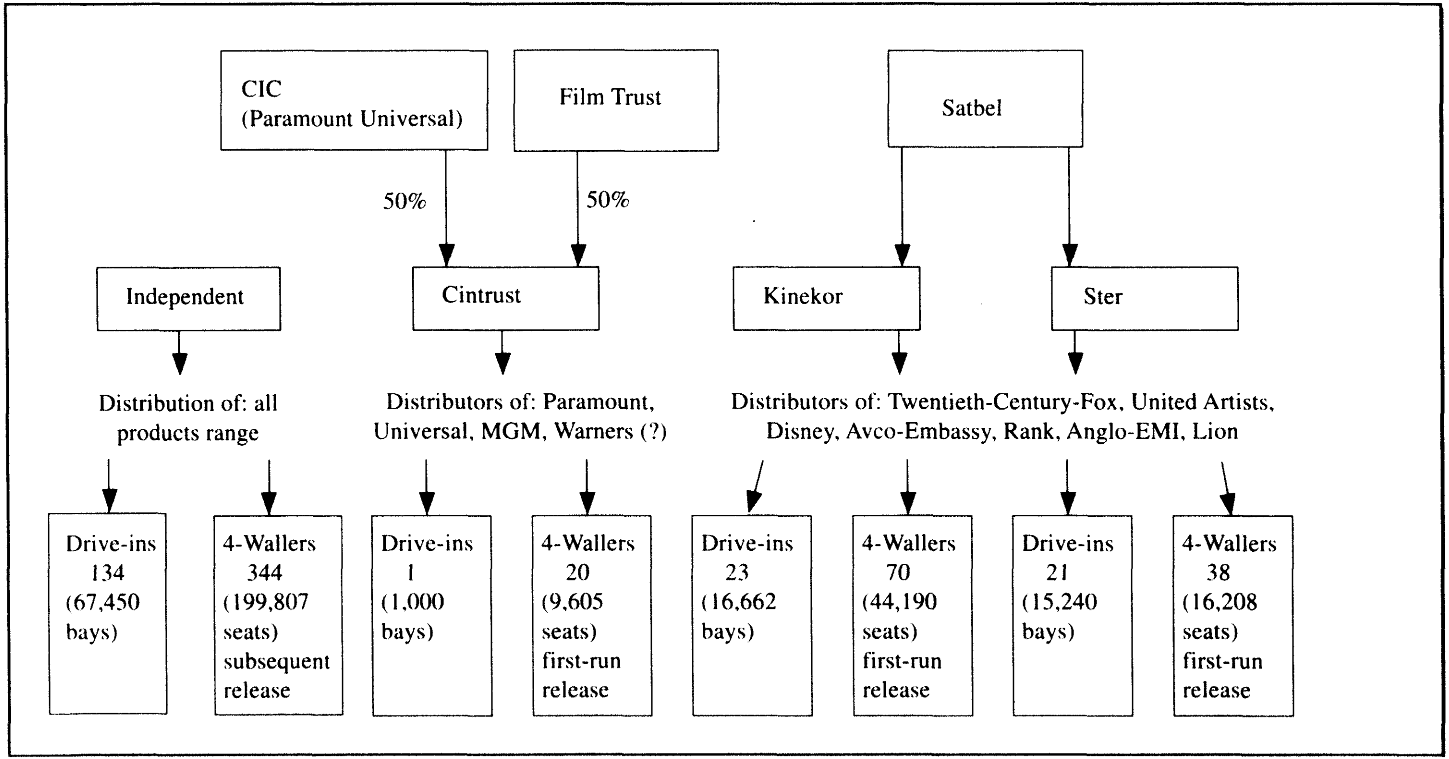
CIC
(Paramount Universal)
Film Trust
Satbel
50%
50%
Independent
Cintrust
Kinekor
Ster
Distribution of: all products range
Distributors of: Paramount, Universal, MGM, Warners (?)
Distributors of: Twentieth-Century-Fox, United Artists, Disney, Avco-Embassy, Rank, Anglo-EMI, Lion
Drive-ins 134 (67,450 bays)
4-Wallers 344 (199,807 seats) subsequent release
Drive-ins 1 (1,000 bays)
4-Wallers 20 (9,605 seats) first-run release
Drive-ins 23 (16,662 bays)
4-Wallers 70 (44,190 seats) first-run release
Drive-ins 21 (15,240 bays)
4-Wallers 38 (16,208 seats) first-run release

Fig. 9.1. Ownership and control of the South African exhibition industry. (Courtesy *Financial Mail*, 30 Jan. 1976, 219.)

Cinema after 1990

While early debates about policy and other issues were under way, a process of reconstruction by means of capital interpenetration began to take place. Characteristic of the union between English and Afrikaner capital in the 1960s and 1970s, the existing players in the media sector began to participate in a new and wider union of white- and black-owned capitals. The main factor here was the response developed by existing media capital to the institution of the Government of National Unity (GNU): unbundling. To counter accusations of monopoly control of the media by mining interests, the major mining groups Johannesburg Consolidated Investments (Johnnies [JCI]) and Anglo-American Corporation (AAC) "unbundled" by liquidating their mutual industrial cross-holdings.[25]

Figure 9.2 shows the extent of pre-1994 cross-investment between AAC and Johnnies. Anglo-American Industrial Corporation (AMIC) and Johnnies Industrial Corporation (Johnnic) held crucial shareholdings in each other and, therefore, in various media corporations like Argus Newspapers and Times Media Ltd. (TML).

In 1997, however, Argus (now called Independent Newspapers) and TML had been separated from each other. Figure 9.3 shows how their respective media holdings now resided in rather different hands. What is interesting, however, is the relationship that now existed between TML and the owners of the cinema industry. The Nu-Metro chain had come under black control.

Figure 9.4 shows how the two main cinema distribution and exhibition groups were constituted in early 1997, before the emerging Primedia group took a hand in proceedings. Ster-Kinekor retained basically the same structure as before. SANLAM kept its 50 percent holding via Servgro. KERSAF, part of Sol Kerzner's London-based Sun International Casino and Hotel Group, had bought out SATBEL in 1984 to become the other major shareholder in Ster-Kinekor.[26]

However, in August 1997, Primedia, already a growing competitor in commercial radio and a prospective television broadcaster, bought most of Interleisure, the owner of Ster-Kinekor. This included more than three hundred cinemas, distribution, Cinemark, an 85 percent stake in Ster-Kinekor's home video operation, and 30 percent of an international venture to establish a cinema circuit in Europe. KERSAF retained 70 percent of Ster-Kinekor offshore. The purchase was significant. Primedia saw that the disenfranchised media audience was now set to grow, and thus according to Primedia CEO William Kirsch, the deal "positions us for the largest sector of the media market."[27] This was the first time that any South African first-run distribution and exhibition company had acknowledged this black sector of the market as the formula for future success.

Within months, the appearance of new actors in the cinema dispensation had spurred the giants into action. In early November the same year, Ster-Kinekor announced that a new multiplex cinema was to be built in Soweto, the sprawling main dormitory city of the Johannesburg area. This, the company announced, was to be the first of a series of complexes they had planned for Gauteng and three other provinces. Almost directly echoing Kirsch's earlier statement, the announcement proclaimed that "reaching the untapped South African market [was] a major goal."[28]

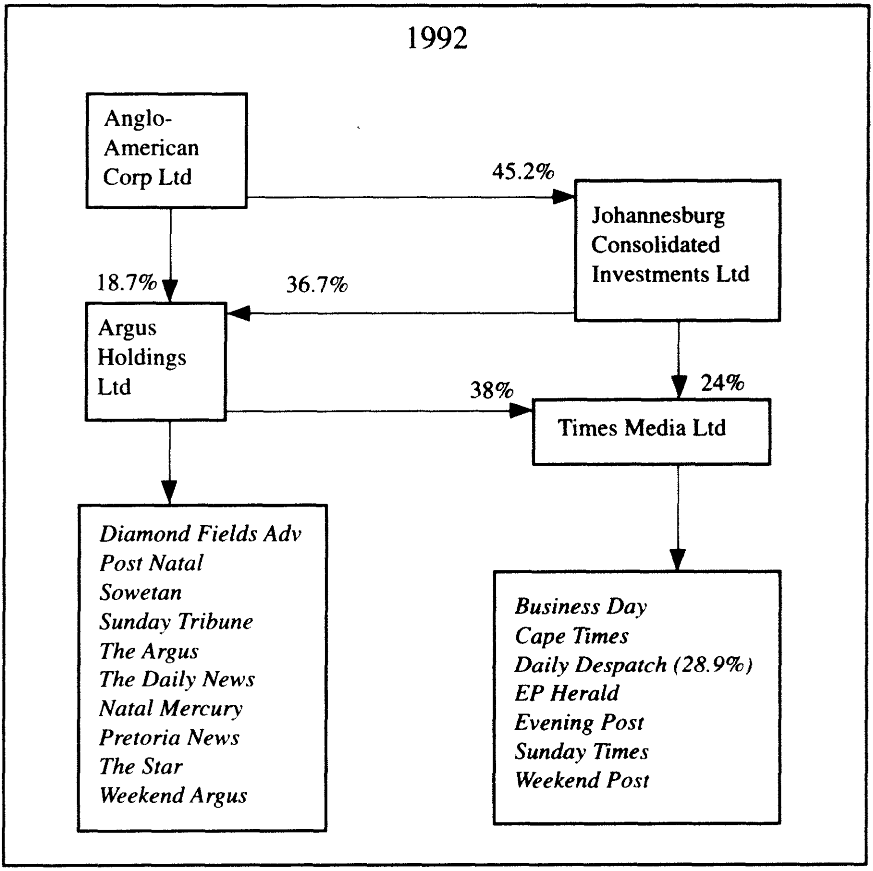
1992
Anglo-American Corp Ltd
45.2%
Johannesburg Consolidated Investments Ltd
18.7%
36.7%
Argus Holdings Ltd
38%
24%
Times Media Ltd
Diamond Fields Adv
Post Natal
Sowetan
Sunday Tribune
The Argus
The Daily News
Natal Mercury
Pretoria News
The Star
Weekend Argus
Business Day
Cape Times
Daily Despatch (28.9%)
EP Herald
Evening Post
Sunday Times
Weekend Post

Fig. 9.2. Extent of cross-ownership between Anglo-American Corporation and Johnnic prior to 1994. (Courtesy Robin MacGregor's *Who Owns Whom.*)

The Political Economy of South African Cinema after 1994

In the mid-1990s, Ster-Kinekor had combined with African National Congress–linked (ANC) black empowerment group Thebe Investments' entertainment arm Moribo Investments to create a separate distribution and exhibition arm called Ster-Moribo. This group operated to provide conventional cinemas in new shopping complexes built in previously disadvantaged areas and took over previously first-run whites-only central city cinemas in Johannesburg. This city's central business district, previously zoned only for

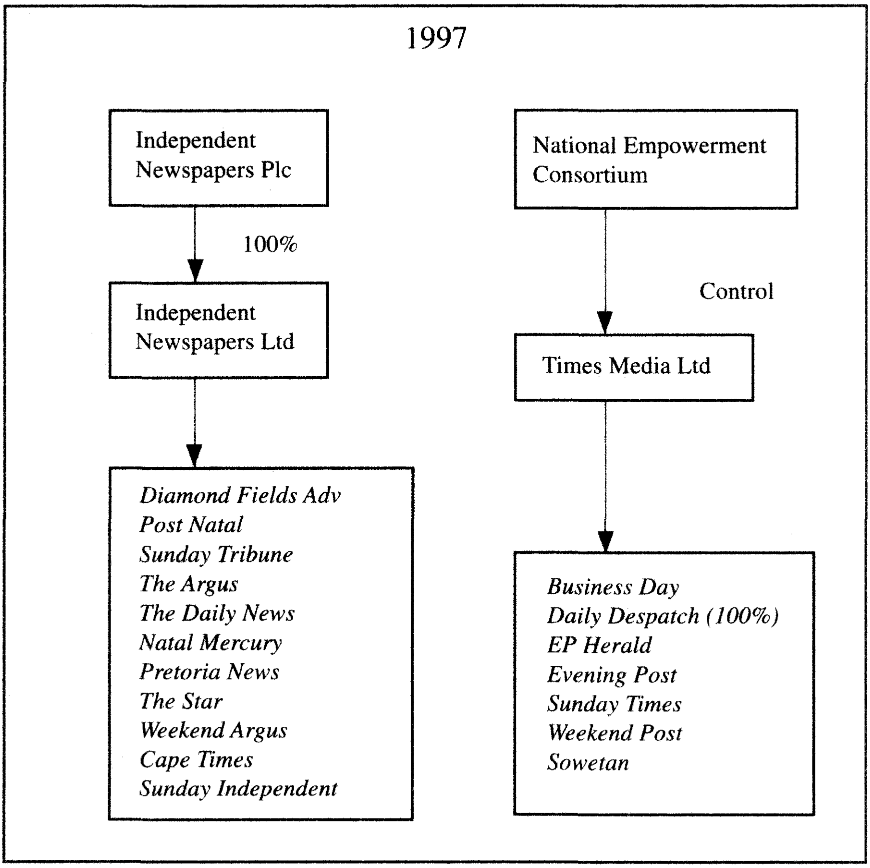
1997
Independent Newspapers Plc
100%
Independent Newspapers Ltd
Diamond Fields Adv
Post Natal
Sunday Tribune
The Argus
The Daily News
Natal Mercury
Pretoria News
The Star
Weekend Argus
Cape Times
Sunday Independent
National Empowerment Consortium
Control
Times Media Ltd
Business Day
Daily Despatch (100%)
EP Herald
Evening Post
Sunday Times
Weekend Post
Sowetan

Fig. 9.3. Separation of Anglo-American and Johnnic after 1994. (Courtesy Robin MacGregor's *Who Owns Whom.*)

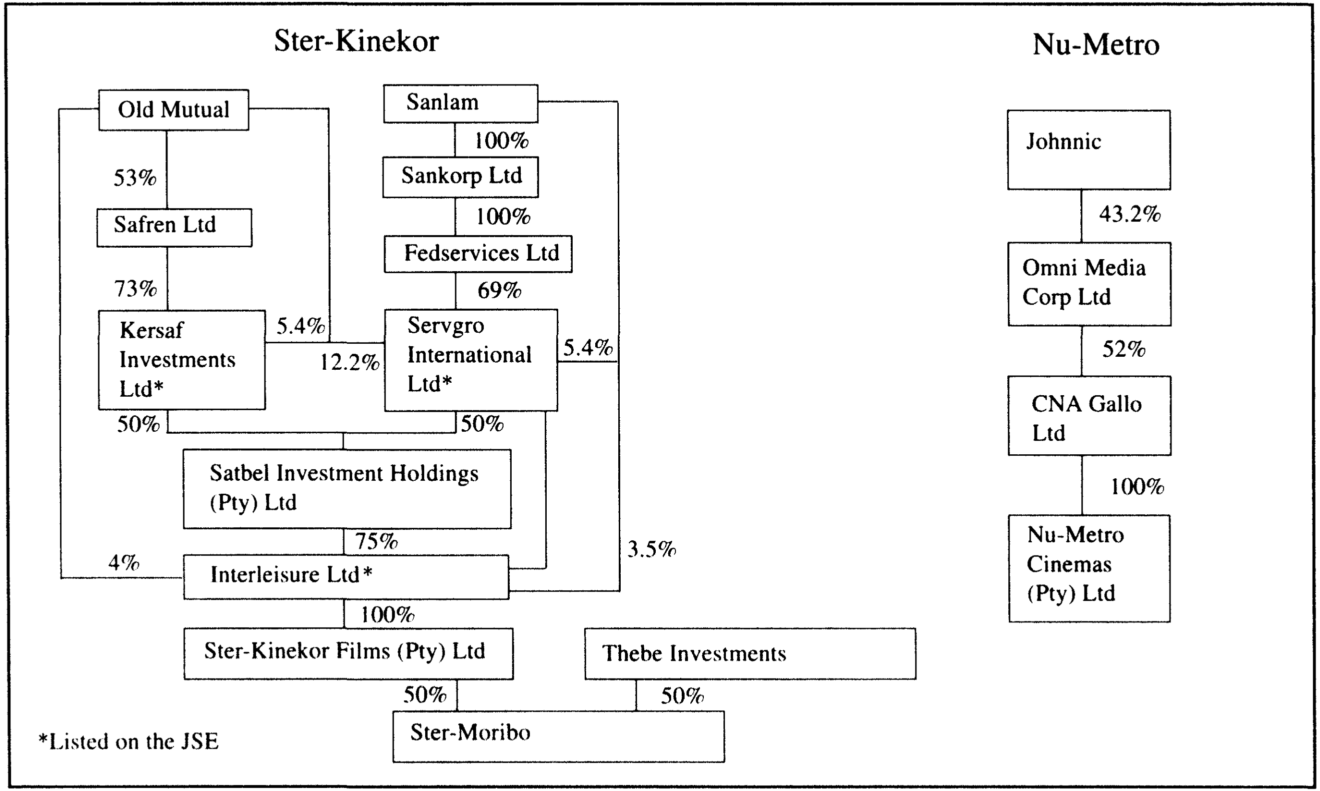
Ster-Kinekor
Nu-Metro
Old Mutual
Sanlam
100%
Sankorp Ltd
100%
Fedservices Ltd
69%
53%
Safren Ltd
73%
Kersaf Investments Ltd*
5.4%
12.2%
Servgro International Ltd*
5.4%
50%
50%
Satbel Investment Holdings (Pty) Ltd
75%
4%
Interleisure Ltd*
3.5%
100%
Ster-Kinekor Films (Pty) Ltd
Thebe Investments
50%
50%
Ster-Moribo
*Listed on the JSE
Johnnic
43.2%
Omni Media Corp Ltd
52%
CNA Gallo Ltd
100%
Nu-Metro Cinemas (Pty) Ltd

Fig. 9.4. Ownership and control of exhibition industry after unbundling of Anglo-American and Johnnic. (Courtesy Robin MacGregor's *Who Owns Whom*.)

offices and retail, had decayed rapidly after 1990 as a result of a massive inmigration of poorer blacks from Soweto and elsewhere who converted offices into places of residence.

Ster-Moribo's mainly black-patronized venues exhibited some African-made productions. Indeed, Ster-Moribo had arranged with the Film Resource Unit (FRU) in Johannesburg to provide one-off premieres of films like Djibril Diop Mambety's *Hyenas* in theaters where mainstream fare had always been the order of the day.

Ster-Moribo also bought a major stake in the Maxi Movies video cinema franchise operation. Maxi provides new entrants into cinema exhibition from previously disadvantaged communities with seed finance and the basic equipment to set up video cinemas in suitable premises. Within a year of its inauguration in 1994, Maxi had built ten screens in areas previously denied cinema facilities of any kind. Maxi also extended its operation to neighboring countries like Mozambique and Botswana, while international distribution chains indicated their interest in applying the franchise approach in Chile, China, India, and Eastern Europe.

Existing formal chains owned by previously disadvantaged entrepreneurs were few in number in the early 1990s. However, the Avalon Theater chain had retained its identity during the apartheid years even if restricted by Group Areas law from operating in areas designated "white," "black," or "colored." After 1994, the government set up the Arts and Culture Task Group (ACTAG), a subcommittee of which was established to examine the issue of film policy.[29] In parallel with this development, Avalon Theaters' owner brought an antitrust action against Ster-Kinekor as a result of the latter's stranglehold on venues and distribution.

The gist of this action was that Ster-Kinekor and other companies had benefited unfairly from apartheid. Restrictive practices enshrined in the now-defunct Group Areas Act had given them an unhealthily long head start in respect of new entrants formerly excluded as a result of these laws. Previously disadvantaged owners and prospective owners of cinema-related businesses, the suit argued, "should be assisted to overcome historic disadvantages when [they] seek to break out of previously racially defined areas."[30] Basically, the action took place in the face of the GNU's adoption of contradictory economic and political stances on redressing the imbalances of apartheid. On the one hand, such state assistance contradicted the government's free-enterprise macroeconomic policy. On the other, the Avalon action occurred in the context of the ANC's pre-1994 macroeconomic plan, the Reconstruction and Development Programme.[31]

Production

In addition to the distribution and exhibition developments detailed here, attention was also directed at facilitating new production. The Electronic Media Network (M-Net), a South African-based multinational pay television corporation, initiated an annual "New Directions" competition for directors and scriptwriters. In the first half of each calendar year, the company solicits proposals from first-time cinema directors and writers. Proposals are scrutinized by a panel of experienced professionals, and through a process of mentored refinement, six proposals are selected for production. The final products emerge from a further refinement session, in the form of thirty-minute dramas broadcast on selected M-Net channels. This initiative partly meets the requirements of the Independent Broadcasting Authority (IBA), set up in 1995, to regulate the airwaves and issue broadcast licenses.

Another M-Net initiative is its annual All Africa Film Awards, an event first held in October 1995, following its earlier awards, which considered only South African fare. At the first ceremony, it is significant that films from everywhere but South Africa were nominated in every category. The following year, the Cape Town ceremony saw one partial South African production, *Jump the Gun,* largely funded by Britain's Channel 4 and directed by Englishman Les Blair, receive awards for Best Anglophone Film, Best Leading Actor, Best Supporting Performance (two awards), Best Newcomer, and Best Sound. *Guimba,* made by Malian director Cheikh Sissoko, won the *Grand Prix* prize. In 1997, an Egyptian film, *Destiny,* barely scraped home ahead of the South African–made *Paljas.* M-Net also worked with the FRU in offering free screenings of African films in cinemas in Johannesburg, Durban, and Cape Town in 1996. The company, however, now transmits African films on its pay-TV channel, especially the winning films from its awards. The free cinema screenings were canceled.

A different focus drives the Southern African International Film and Television Market, an annual sales, networking, and exhibition event. The year 1997 saw the second annual Market taking place with enthusiastic attendance by filmmakers of every stripe. The Market includes an International Directors' Week for African and other directors, and also an African Focus section that includes daily video and theater screenings. In 1997, the Market also served as the occasion on which the South African and Canadian governments announced a formal coproduction treaty. In terms of this treaty, work done by filmmakers from either country in the other's territory will be considered as 50 percent local production.[32]

Cinema and the Wider Development Context

The broader task facing South Africa after 1994 involves more than the conventional notions of "development." A major plank in the ANC's 1994 election campaign was the *Reconstruction* and Development Programme. We stress "Reconstruction" to introduce an important distinction in considering South Africa after 1994. Development traditionally implied some kind of expert-driven intervention designed to fast-track so-called "backward" societies into a condition of "progressive" or "modern" organization, economically and politically. Aside from the very relevant contemporary criticism of terms like "backward" and of the very concept of "progress," what sets South Africa apart is that in many decisive ways it is an already developed nation.

The problem faced by the first democratically elected government in 1994 was not, therefore, one in which rural tribespeople needed to be fast-tracked into the twenty-first century. Instead, the government had to address the results of development occurring over nearly a century, in which certain structural inequalities had been entrenched. These differences were based largely on a race-class division that had evolved to accommodate the demands of both indigenous and overseas mining and industrial capital.[33] The ANC's major constituency was, therefore, a third- or fourth-generation industrial proletariat and lumpenproletariat (40 percent unemployment in 1997), mixed with settled working and bureaucratic classes. All these in turn were conscious of historical relations structured into a large—quite Kafkaesque—network of apartheid institutions.[34] Thus the need for "restructuring": Many functions that are features of advanced industrial nations are already in place in South Africa. The point was to get them to work for *everybody* and not just for narrow urban and white-class-based strata.[35]

From the point of view of the institutions of the cinema industry, then, what we have described above is a broad outline of the reconstruction of an existing industrial complex in order to extend, as profitably as possible, its reach to those previously denied access. However, the presence of an institution doesn't entail the presence of a constituency whose needs it will satisfy. As pointed out, by the mid-1990s there was a quite significant cinema-going population among South Africans of European and Asian extraction, but less so amongst blacks. Maxi Movies not only drew in new exhibition entrepreneurs but also, the whole idea behind this initiative—and the Primedia acquisition of Interleisure—accepted that blacks would actually spend money on moviegoing. These two developments suggest certain questions: What do these emergent audiences want to see? Is there any kind of market already there? If so, in what way does this market constitute an audience for a particular kind of film product?

Generally, in the first instance, there is a preponderance of martial-arts and pulp-romance movies imported from the Far East that seems to find its way into the independents' catalogs[36] and that reconstitutes the B-grade white rural drive-in circuit maintained under apartheid.[37] However, many of the importers and distributors of these "alternative" commercial films provide them to exhibitors who fall outside the major chains. Over the years people in disadvantaged communities have indeed struggled to make available some minimal provision of exhibition space. In community halls, illegal drinking places, garages, and other spaces, video players and 16-mm projectors were obtained by whatever means to show whatever people could find in the alternative importers' catalogs.

In a second instance, trade unions and civic organizations would also use these kinds of spaces to show documentary material they had produced for educational purposes or to inform communities. This latter experience led to the foundation of nonprofit organizations, such as FRU, that grew partly to meet the desire of black township residents to watch films about their own conditions of existence.[38] The experience people have had in the first kind of exhibition practice has led to an additional alternative approach after 1990. For example, people restoring the Odeon Theater cinema—in the formerly "Indian" township of Chatsworth, outside Durban—combined with civic and performance groups to make the space available for the whole community and people from surrounding townships.

FRU was established as an antiapartheid nongovernmental organization (NGO) in 1986. The unit's objective was to provide access to video information resources denied to people not inside the South African state op. Originally, the unit operated a video center dedicated to providing a national outreach to "community and civic organizations, trade unions, youth, church and woman's [*sic*] groups."[39] The unit then established a viable semicommercial video distribution project to meet the high demand generated by their original program; they have since established the highly effective, if noncommercial, Mobile Video Education Programme, which makes video resources available in underdeveloped rural and informal areas; they put together the First Johannesburg TV Programme and Video Market (1993), which licensed program material to television stations throughout southern Africa.

In 1996, FRU established its African Feature Film collection, which distributes films produced in Africa by Africans in 35-mm, 16-mm, and video format. The South African Broadcasting Corporation (SABC) dubbed FRU's feature film catalog into various South African languages, and the corporation has broadcast FRU titles weekly since mid-August 1997. Student bodies at several institutions of higher education, especially in the main urban region of Gauteng Province (Johannesburg, Pretoria, and the various cities around these), created African cinema appreciation societies. These groups either hired titles from FRU or attended showings arranged by FRU.

State Initiatives

Restructuring assumes that some kind of "structure" exists that can be acted upon accordingly. Does the South African dispensation of the 1990s represent a coherent structure amenable to development incentives via the proposed South African Film and Video Foundation (SAFVF) expected to be enacted into law in 1997? Examination of the Ster-Kinekor and Nu-Metro groups, the FRU, and the M-Net and SABC identified a collection of enterprises that did not really represent a "structure." Instead, these corporate and civic actors serve more as a kind of conduit.

Other enterprises, such as Avalon and Maxi, also had this kind of conduit function. Perhaps the only real "structure" in this context comprises the relations of dependence and competition between the various players. Moosa's lawsuit was emblematic. His approach was to essentially "destructure" the historical relations of dependence and competition, with a view to reconstitution of the relations to include previously excluded operators.

What then was the nature of this exclusion if not "structural"? Certainly the sociopolitical tradition suggests that apartheid "structurally" excluded entrepreneurs of a certain kind, defined by race/language/ethnicity/whatever. However, apartheid was established institutionally in an environment in which there were already a limited number of players. What apartheid therefore *facilitated* was the exclusive institutionalization of a Hollywood and domestic conservative cinema within a specific set of relations of regulation: race/space, authoritarian censorship, and financial access mainly for whites. That production, distribution, and exhibition that did occur was dependent almost entirely on the context of regulation and the entrenchment of existing operators.

At the same time, the change of the regime of regulation after 1994 aided or hindered operators according to their acceptability to the administrative criteria of the new facilitation and regulation bodies. A prime question faced ACTAG and the subsequent Film Reference Group, whose task was to make sense of the ACTAG recommendations, and that was, what is the "market" in a country where a majority was essentially "regulated out" of cinema culture? Further, can one regulate a market into existence?

If the existing provision constitutes a "structure," what is the relationship between regulation, "structure," and activity by the participants? The conceptual problem lies in the actual reality of structures, what it is that people are doing within these associations, groupings, alliances, and so on that makes them "structures" and not something else. What would such a "something else" be? Where would the SAFVF fit into the process? How conceptually can they be delineated so that the same core participants are "something other" and not a "structure"?

The 1997 Film Policy Bill, which incorporated the foundation, is intended to link state funding with growth managed by the private sector. The board of the foundation is entrusted with drawing up the aims and procedures of the statutory body in consultation with the industry. The plan has been to staff the foundation with people with extensive experience in all facets of the industry. The tasks of the foundation include the following:

a) Liaison with the film industry, broadcasters, and provincial Departments of Arts and Culture
b) Liaison with the IBA
c) Protection of free market mechanisms and advising the competitions board on the prevention of monopolies
d) Development of distribution and exhibition of locally made films and assisting the entré and development of independents
e) Coordination of training
f) Taking over the administration of the National Film Archives, previously located within the Department of Education, to promote its holdings and turn it into an innovative, accessible, and helpful resource
g) Promotion of local films, local filmmakers and their achievements, and South Africa as a viable location for foreign films, and so on
h) Permanent functions such as departments of production and coproductions, marketing and distribution, education, research and information, developmental and cultural support, and film finance

The Film Finance Division, at its discretion, funds projects wholly or partially, makes available seed funding, sets financial guidelines where high risk ventures are concerned, makes low cost loans or outright grants, offers bursaries, and provides funds for development of scripts, projects, and experimental films. In addition, the Finance Division encourages private investment, foreign productions made in South Africa, and so on. Funding for larger ventures is dependent upon producers securing matching finance through guarantees, presales, equity, or loans; ensuring repayment of its seed funding or initial investment against box office returns; and involving broadcasters in financing where possible. Links between film industries and national broadcasters are rare in Africa.

The intention of the bill is to educate filmmakers and increase production opportunities within an entrepreneurial frame of reference, linked to national economic growth.[40] National and international partnerships are encouraged, and the Finance Division's investment is intended to catalyze sectoral growth, employment, and sustainability. Where the previous subsidy system merely paid out funds for feature films against box office income,[41] the foundation encourages the following:

a) First-time filmmakers who work with experienced producers
b) Script development, good planning, and aesthetic innovation
c) Training with a view to employability
d) Applications for funds within reconstruction and development criteria: affirmative action, gender equality, nonracialism, independence from party politics, empowerment of younger people, consistency with the Bill of Rights, reconciliation, etc.
e) Financial accountability, organizational capacity, experience in leadership, a good track record, self-sufficiency, and multiplier effects
f) Projects that have a national impact and that lay a quantifiable grounding for further work

The intention of the foundation is to remove the control of the industry from the claws of the state, thereby creating an arms-length body partly funded by the state but administered by the industry.

Structural Considerations

Regulation tends to favor the metaphor of "process," which is the guiding metaphor of the social realm.[42] Structure is at the same time a metaphor that guides discussion around social relations, the symmetrical or asymmetrical dependencies and tutelages of social groupings that are relatively stable in some way. Classes are the essential groupings in structural discourse, but ethnicity, gender, and anthropological (cultural) considerations invaded the issue after 1990.

Yet policy and politics tend to favor other metaphors. Structure, regulation, and policy belong to the dictionary of *Government,* while *Politics* seems to involve persuasion to undertake or continue a *task* of sorts. Let's say that there are three different kinds of activity involved and that each is proper to different classes or dimensions of organizational composition or strategy.

First, structures are built and then maintained and/or updated. A filing system is one such organizing principle, as is a dictionary. Structures are in this sense part of Hannah Arendt's conception of *World.* People in structures attend to the parts and "members" of the structure (braces, walls, roofs, girders, etc., to follow the metaphorical trajectory through). This is secondary to the work of building but relies on cognate skills in its organization. The structure of apartheid codified the racial/linguistic nature of the film industry as it developed between 1913 and 1994. But unlike apartheid's *political* contradictions, which imploded the racial-capitalist structure in 1990, the film industry actually collapsed earlier, in the mid-1980s. This collapse is traceable to an even earlier period, as both the state and the industry were shot through with structural contradictions by the late 1970s.[43] Attempts to maintain and/or update the racial-capitalist structure of film industry simply hastened its demise.

Second, regulation involves some kind of activity that is directed toward the world, but neither building nor maintaining it. Regulation governs it in a sense, and as such, regulation involves tracking the status of the world's structures and then recording this and making the record available to those who interact with the structure. This essentially is administration; administrators transform data about the world from one form to another in order to spread the in-formed knowledge of the structures to those who are interested. This is where the foundation fits in. As the cinema/video equivalent of the IBA, its task, which is less reregulation (from state-owned to private broadcasting) than developmental, is to widen private access into an already privately owned business infrastructure. It is anticipated that the foundation will achieve this—by targeting underdeveloped potential and emergent entrepreneurs in production, distribution, exhibition, and training—and map out mechanisms whereby these less formal sectors can become integrated into the formal industry as part of global networks.

Third, the fundamental radical imperative is neither to administer, reproduce, nor maintain. It is Marx's Eleventh Thesis on Feuerbach. It is the task of persuading, directing, and ultimately establishing some structure and regulation that is not that but this, something new that meets needs not satisfied by present structures and regulation. It is politics. It recognizes that the present is not the best possible world, and not the best possible *sociopolitical* arrangement within which to build it.

The Politics of Cinematic Reconstruction

What then, and where does the cinema industry fit in here, and how? What needs are "out there," the satisfaction of which is not "in here" at this time? Who articulates these needs? Who judges whether they are legitimate? By what criteria do they judge legitimacy? Are these criteria rooted in experiences that are accessible and/or relevant to those in need? Can the cinema field be said to *have* a "structure" right now, or should we see the field as simply part of a wider regulatory regime that is being redirected?

What are the relevant transformatory metaphors for the different classes of endeavor? How does one go about transforming structures, processes, and tasks? If each has a different phenomenological *projection,* what goal-directed class of action in each field constitutes "transformation"? What does the present state of play (or what do the present *states of play*) in South Africa present as analytical material for a discussion on these lines? If something does emerge, what relevance does it have for other contexts and what not?

The uniqueness of South African cinema up to 1990 changed in the 1990s as policies, solutions, and structures were researched from a variety of national contexts in relation to other stable and "transformatory" contexts—notably France and Australia as well as other countries in Africa. The proposals suggested in the draft White Paper (1995) were adopted almost identically by the Zimbabwean film industry (1996), thus bringing together the two industries—that form the nexus of sub-Saharan African film industries into a similar legislative environment. Films about South Africa have been made in Zimbabwe, and films about Zimbabwe have used South African facilities and actors. In addition, coproductions began to occur in 1995 between West African, Zimbabwean, and South African producers, while African producers from all over the continent are increasingly making use of South Africa's First World production and postproduction facilities at Third World prices.

The exhibition sector, however, remains an enigma. Ster-Kinekor, when it was still owned by SANLAM, invested offshore in a film exhibition chain in Greece and Europe. Perhaps Primedia's decision to aim at the emerging black market will direct some of the offshore earnings into the kind of activity FRU, Avalon, and Maxi Cinemas have long been doing: developing audiences at home. And herein lies the difference between FRU and the commercial industry: FRU is committed to the Reconstruction and Development Programme; entrepreneurs lose interest in projects that do not deliver returns within a short time.

We thus appear to have come full circle back to Hollywood, but this changes when we look *beyond* the structures. Informal black township ventures using 16-mm or now small format video are a private alternative to more formal franchises on offer from the major cinema corporations. They emerge, exist, and fade away, usually quite without regulation or administration. Yet they are exactly the kind of venture that can and perhaps ought to benefit from the developmental resources offered by the SAFVF. The mere existence of these kinds of ventures, however short lived, helps to develop the one thing excluded by apartheid's structures: a *new audience.*

Notes

The following abbreviations have been used throughout this chapter:

AAC	Anglo-American Corporation
ACF	African Consolidated Films
ACT	African Consolidated Theaters
ACTAG	Arts and Culture Task Group
AFP	African Film Productions
AFP	African Films Productions Ltd.
AFT	African Films Trust
AMIC	Anglo-American Industrial Corporation
AN	African National Congress
BIFD	British International Film Distributors
BIP	British International Pictures
CIC	Cinema International Corporation
FRU	Film Resource Unit
GNU	Government of National Unity
IVTA	International Variety and Theatrical Agency
Johnnic	Johannesburg Consolidated Investments Industrial Corporation
Johnnies (JCI)	Johannesburg Consolidated Investments Ltd.
MGM	Metro-Goldwyn-Mayer
M-Net	The Electronic Media Network
SABC	South African Broadcasting Corporation
SAFVF	South African Film and Video Foundation
SANLAM	South African National Life Assurance Mutual
SATBEL	Suid Afrikaanse Teaterbelange Beperk (SA Theater Interests Ltd.)
TML	Times Media Ltd.
UA	United Artists

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10

Hungary

Beverly James

The first public showings of moving pictures in Hungary coincided with the nation's 1896 millennial celebration of the Magyar conquest of the Carpathian Basin. The festivities commemorating the nation's economic, scientific, and cultural achievements included a Millenary Exhibition that displayed the technical wonders of an industrializing world, Edison's kinetoscope among them. Some of the earliest film footage shot in Hungary was that of Emperor Franz Joseph opening the exhibition. While Hungarians were justifiably proud of their accomplishment, the organizers of the festivities, as well as public officials and the press, overplayed their pride, using the millennium to popularize the illusion of a powerful Hungarian Empire and to divert attention from domestic unrest.[1] Hungary had finally achieved a measure of independence from the Habsburgs with the compromise of 1867, which established the Austro-Hungarian Empire, but Austria was the dominant partner in the alliance.

Moreover, the compromise actually worsened the living and working conditions for the average Hungarian. The Hungarian ruling class was given the authority to deal with the state's internal affairs, and they used this power to suppress growing discontent among national minorities as well as the lower classes.[2] In the period leading up to World War I, national minorities constituted over 50 percent of the population but held only 8 seats in the 421-member Hungarian parliament. About 4,000 people out of a population of 18 million owned over half the land, and more than 5.5 million people owned no land at all.[3] Thus, at a time when the elite were celebrating the millennium through balls, parades, and ribbon-cutting ceremonies, Romanians, Slovakians, Croatians, Serbs, and Slovenes were pressing for political and cultural self-determination, and both urban workers and rural peasants were agitating for a more equitable economic order.

This is the backdrop against which the Hungarian film industry evolved. As a highly public and ideologically charged form of expression, film in Hungary has been shaped by the nation's shifting international alliances and by the dramatic domestic upheavals of the twentieth century that in turn grew out of more distant historical configurations. Specifically, a couple of key factors undergird the story of film in Hungary. First, Hungary's status as a relatively small nation speaking its own, peculiar language has made the preservation of her cultural identity and integrity through the arts vital. This has been compounded by the fact that the nation has enjoyed only brief respites of independence since the Ottoman invasions of the sixteenth century. The absence of political sovereignty has fortified Hungary's national cultural identity, as expressed through literature, music, theater, and film. Second, the radical political shifts that the nation has experienced have had profound consequences for the economics of film production and the distribution of both domestic and imported films. A related outcome of this turmoil has been the immigration of large numbers of intellectuals and artists, including filmmakers. Over the years, countless respected directors, cinematographers, actors, composers, and technicians were forced into exile for political reasons or left voluntarily in search of greater economic opportunities.

The political and economic upheavals of the twentieth century, then, delineate the major shifts in the tone and subject matter of films produced or shown in Hungary. This chapter traces the evolution of film in Hungary according to the major historical periods, concentrating mainly on feature films produced for mass audiences.

The Early Years: 1896–1918

Fin-de-siècle Hungary was marked by a spirit of optimism as plans envisioned by the great nineteenth-century reformer István Széchenyi were realized. The usual ingredients of modernization—industrialization, capitalization, and urbanization—were all in place. The nation's railway system ranked sixth in Europe in density, placing it ahead of Austria and the United Kingdom. Hungary's financial institutions were firmly linked to those of Western Europe, providing an easy flow of credit that fueled the modernization of agriculture and industry. Budapest had been formed in 1873 with the unification of Pest, Buda, and Obuda; in the period between 1850 and 1900, the city's population mushroomed from around one hundred thousand to over a million.

Film was introduced into Hungary within this context of expanding, Western capitalism. Soon after the first public screening of film in Paris in 1895, the Lumières launched a promotional campaign, sending camera operators around the world to produce and display films as a means of publicizing the company and establishing markets for its camera-projector and film stock. In the spring of 1896, the Lumière brothers arranged the screening of films in the cafe of Budapest's Hotel Royale. Budapest's coffeehouses were the center of intellectual and artistic life, and within a short period of time after the Lumière brothers' inauguration of film, a number of coffeehouses had added the screening of films to the newspapers, literary magazines, and other amenities they offered their customers.[4]

Among those early venues was the Velence Cafe, owned by Mor Ungerleider. In 1898, Ungerleider and a business partner founded the first Hungarian film company, Projectograph. While Projectograph would come to be associated mainly with film distribution, the company operated a cinema, sold and rented projectors and cameras, and made the same kind of newsreels and short comedies that were being produced elsewhere at the time. A sample of titles gives a sense of their content: *Hare Hunting in the Plain, Arrival of the Bulgarian Ruler at Budapest, The Fire at Kovald Factory,* and *The Inebriated Cyclist.*[5]

Movie attendance grew rapidly. The first regular cinema opened in 1899 in Pest, and by 1912 there were some 270 permanent movie theaters in the country. Nemeskürty calculates that the ratio of inhabitants to theater seats was roughly the same in Budapest and in Berlin. Yet, despite the enormous popularity of film, domestic production did not take off.[6] Stoil claims that the main obstacle was Ungerleider's stranglehold on distribution and his own preference for French and American films.[7] Cinema owners were hesitant to provoke Ungerleider by booking films though other channels, making it practically impossible for local filmmakers to sell their works. An anecdote provided by Nemeskürty shows how Ungerleider cornered the market: In the spring of 1911, when Ungerleider saw Asta Nielsen's first film for Nordisk, *Avgrunden,* he immediately published a scathing review so that no one else would buy the rights to the film. He then quickly hopped on a train to Copenhagen, where he secured an option on all Nordisk films for years to come.[8]

Hungary's first full-length feature film, *Ma és Holnap* (Today and Tomorrow), was made by Projectograph in 1912. From the standpoint of international cinema, the film's most significant aspect is that it featured and was probably directed by Mihály Kertész (Michael Curtiz), better remembered as the Hollywood director of such films as *Casablanca* and *Mildred Pierce.* After directing two or three more films, Kertész went to Denmark in 1913 to study filmmaking at Nordisk, one of the largest and most respected production companies in Europe. He spent about six months at Nordisk, playing a leading role in August Blom's *Atlantis* and possibly directing a film. Upon his return to Hungary, he became the most sought after director in the country.[9]

Over the course of the 1910s, film production steadily increased, and a number of small companies came and went. In that same period, a visual rendition of traditional Hungarian culture was introduced to audiences worldwide when the French firm Pathé filmed *The Yellow Foal* in Kolozsvár (now Cluj-Napolca, Romania). Based on a play by Ferenc Csepreghy, *The Yellow Foal* provided details of rural peasant life, "from fringed wide, white linen trousers (worn by the peasants in those days) to rendering meat tender by keeping it under the saddle, as ancient Hungarian horsemen are said to have done a thousand years ago."[10] Beyond its significance as a vehicle for introducing "authentic" Hungarian culture to international film audiences, Pathé's presence in Kolozsvár was also influential in the development of Hungarian film and, indirectly, was pivotal in launching the career of one of the century's most celebrated film directors, Sándor (Alexander) Korda.

The director of the National Theater in Kolozsvár, Jenö Janovics, became familiar with filmmaking when Pathé hired actors from his stage company for *The Yellow Foal*. Janovics soon began to make his own films in order to preserve the theater's productions and to provide additional work for his actors. Within a couple of years, Janovics had formed the Transylvania Film Company and hired Korda as its director. Korda had gone to France in 1911, right out of school, to learn filmmaking. He spent a little over a year in Paris, writing freelance articles for Hungarian newspapers and doing odd jobs at the Pathé studios. He also learned to speak French, and when he returned to Hungary, he went to work for Projectograph, where his responsibilities included writing the Hungarian subtitles for the French films distributed by Pathé. About this same time, Korda began writing about the aesthetics of film, in a column of the daily newspaper *Világ* (World). In 1912, he and a partner launched a weekly cinema publication, *Pesti Mozi* (Budapest Movies).

Korda wrote, produced, and directed his first film, *Egy Tiszti Kardbojt* (An Officer's Swordknot), in 1916. Shot in just three days against backdrops of actual army troops in Budapest, the movie dealt with the story of a disgraced soldier who becomes a hero. Korda's first picture for Janovics, *Fehér Ejszakák* (White Nights), was made that same year. Reportedly, it was the first Hungarian film to be shown outside the country. He made several more films in Kolozsvár before the Romanian invasion of Transylvania forced Janovics to transfer the company to Budapest. Korda bought the company and founded Corvin Studio, which was to become the major production company in Hungary.[11]

The Allies' economic blockade of the Austro-Hungarian Empire during the war breathed life into domestic filmmaking in Hungary. Projectograph was forced to suspend its heavy reliance on Western films and turned to local producers to supply them with products. By the end of the war, some fifteen Hungarians had established careers as professional film directors. Among these pioneers, Sándor Korda had made nineteen films by 1918, and Mihály Kertész had made thirty-eight.

The Hungarian Soviet Republic

As World War I drew to a close, Hungary dissolved its association with Austria and proclaimed its independence. However, domestic problems surrounding the status of minorities, the urban proletariat, and rural peasants had never been resolved. The disruptions of the war compounded the misery, as unemployment, hunger, and starvation were rampant. In the waning months of the war, Hungary slid into a state of chaos that made it impossible to organize an effective government or to defend the nation's interests at the peace table.

The Hungarian Soviet Republic was established in the spring of 1919. Led by Béla Kun, a protege of Lenin, the Republic was to last only 133 days before collapsing under the crushing weight of the problems it had inherited as well as its own blunders. But despite its miscalculations, the republic must be credited for its bold initiatives. The Communists had inherited a nation that was in many respects still feudalistic and had been ravaged by the war. In response, the government confiscated property and collectivized land (which proved to be politically disastrous); nationalized banks, businesses, and industry; and undertook massive reforms in education, health care, hygiene, and nutrition, particularly for the children of the poor.

Cultural and scientific affairs were placed under the directorship of, first, Zsigmond Kunfi and, later, György Lukács. A number of renowned intellectuals, artists, and writers, including Károly Mannheim, Géza Gárdonyi, Frigyes Karinthy, and Dezsö Kosztolányi, participated in the revolution. Their attitudes reflected the idealistic optimism of the period. In words that now sound sadly naive, the great novelist Gyula Krúdy wrote in the first month of the revolution, "There is no need to fear the future, a new Hungary, a flowering of human aspirations and ideals thrown up by revolutionary fervor. Let the old world be destroyed, crumble, and disappear."[12]

The film industry came under public ownership on April 12, 1919; it was the first in the world to be nationalized. As we have seen, film distributors had long used imported films as a way of depressing the prices of local productions. Together with cinema owners, distributors had garnered the lion's share of the industry's profits over the years. Thus, while film distributors and cinema proprietors despised the government's takeover of the industry, the studios welcomed the move, and virtually all of the important directors and actors participated in the cultural arm of the revolution not only as filmmakers but also as members of various administrative boards that oversaw the selection and production of films.

An astonishing thirty-one films were made during the short-lived revolution. While only one or two of the films is extant, a glance at the titles shows a strong interest in the production of films based on the literature of Hungary and other European nations, especially that which has a social critical edge. Béla Balough's *Nantas* was based on Zola's *Nana;* Márton Garas made *Samuel the Seeker* based on an Upton Sinclair novel as well as a version of Dickens's *Oliver Twist.* Among Korda's films, *Yamata* dealt with the cruel treatment of an African slave, while *Ave Caesar!* was about a profligate Habsburg prince. Among the works of literature that were planned for film but never realized were Tolstoy's *The Power of Darkness,* Shaw's *The Devil's Disciple,* and Stendhal's *Le Rouge et le Noir.*[13]

In keeping with the government's concern for the well-being of children, special provisions were made for younger audiences. The government strictly enforced an edict that children under fourteen could only attend movies when children's films were shown. Special cinemas were established, with names such as Andersen, Cinderella, and Gulliver. Eckelt describes a performance at the Cinderella that shows their dual purpose of education and propaganda: "One of the colored shorts, entitled 'Porcupine,' was scientific; the other, 'The Golden Spider,' served the purpose of indoctrination, showing the evils of capitalism and its resultant punishment."[14]

Politically committed art came to an end with the collapse of the Soviet Republic. The choices were limited for filmmakers. They could sacrifice their political and aesthetic ideals, find another line of work, or leave. In the end, practically everyone left. A generation of brilliant theorists, directors, actors, cinematographers, and technicians went on to enrich the arts and entertainment world elsewhere, mainly the United States and Western Europe. Among those who left were Paul Fejös, Josef van Baky, Charles Vidor, Béla Lugosi, and all three of the Korda brothers—directors Alexander and Zoltán and set designer Vincent. A handful would eventually return. The great film aesthetician Béla Balázs moved first to Vienna and later to Berlin, writing his seminal texts in German. With the rise of fascism in the 1930s, he went to Moscow, where he taught at the Academy of Film Art until 1945, when he was finally able to return to Hungary.[15]

But most never went back. Alexander Korda made movies in Vienna, Berlin, Hollywood, and Paris, before settling in London, where he established his international reputation with *The Private Life of Henry VIII* in 1933. Michael Curtiz made about a dozen films for the Sasha studio in Vienna before Warner Bros. lured him to Hollywood in 1926. From the standpoint of Hungarian cinema, the collapse of the Soviet Republic and the loss of such talent was a devastating blow from which it would not recover for many years.

Conservative Nationalism: 1920–1945

The interwar period began with a wave of counterrevolutionary terror that toppled the shaky Kun regime and led to the establishment of a new government headed by a regent, Admiral Miklós Horthy. The last commander in chief of the Austro-Hungarian imperial navy, Horthy instituted a reactionary, authoritarian political system that was to last until the end of World War II. The large, landed estates were returned to the gentry, extending the feudal character of Hungary well into the middle of the twentieth century. Even more disastrously, the Horthy administration exploited a climate of nationalism that was fueled by the unfavorable peace treaty Hungary was forced to accept at the end of World War I. Based on the principle of self-determination for Hungary's minorities, the Allies imposed a settlement that stripped Hungary of two-thirds of her territory, leaving large concentrations of ethnic Hungarians outside the borders. Every segment of society opposed the treaty. But for nationalists, the violation of Hungary's territorial integrity, consecrated by the pope a thousand years earlier, was nothing short of sacrilege.[16]

The territorial losses as well as the dismantling of the Habsburg empire had serious economic consequences. Natural resources were lost, and trading partnerships were dissolved. Thus, the pace of Hungary's economic development in the interwar period was slow. With the world economic crisis of the 1930s and Hitler's rise to power, ultraconservative forces became increasingly strong. Hungary entered World War II on the side of the Axis Powers, mainly based on Germany's promise to help restore the lost territories. In 1938, the government enacted stringent anti-Jewish legislation, although, ironically, Hungary was able to protect its Jewish population as long as the country remained a loyal ally of Hitler. Hungary's efforts to withdraw from the war in 1943 led to Germany's occupation of the country and the deportation of Jews. Some 50 percent of Hungary's Jews died in concentration camps.[17]

The period of conservative nationalism was a low point for intellectuals and artists in Hungary, including filmmakers, especially given the fact that many were Jewish. Not only were their ranks decimated through immigration, but the conservative cultural climate and economic policies weighed against the production of innovative, experimental, or critical art. The government authorized the reestablishment of Projectograph in 1920. Once again, the company exercised tight control over distribution and relied heavily on cheap imported films to depress the prices of local productions. In 1928, the last active studio went bankrupt, and Hungarian filmmaking was dead.[18]

In a curious way, the nationalistic climate of the times contributed to the revival of the film industry in the 1930s. In the early years of talkies, the American studios began making multilingual versions of their productions in Paris and London, reshooting in the major European languages and using actors of various nationalities. In this context, for example, Paramount made Hungarian-language versions of two Hollywood films, *The Laughing Woman* and *The Doctor's Secret.* Still, for a minor language such as Hungarian, the supply of talkies was slim, and the public began to demand more films in their own language. At least partly in response to imperatives of linguistic and cultural nationalism, the government took steps to reinvigorate the industry. The state took over the studios and leased the facilities to independent producers. Laws were passed requiring theaters to devote 10 percent, and later 20 percent, of their programs to Hungarian films. Special taxes were imposed on imported films, with the proceeds used to support local productions. Still, over half of the feature films screened in Hungary in the 1930s were American, and another 20 percent were German.

In order to qualify for a subsidy or to gain access to a studio, filmmakers had to get their scripts approved by the official Film Industry Fund. Theoretically, filmmakers were free to produce whatever they liked, but in practice, the economic constraints were such that the state firmly controlled the industry. Predictably, the government looked most favorably upon films that avoided social critique. As a result, most of the films of the period were light comedies that revolved around the lives of aristocrats, landowners, or officers. Among the most successful was István Székely's *Hyppolit, a Lakáj* (Hyppolit, the Butler, 1931).

Székely (Steve Sekely) is another good example of a Hungarian filmmaker who was tossed around the globe by political winds. As a newspaper correspondent in Berlin, he got involved in the film industry and learned about the developing technologies of sound. When the production of talkies began in Hungary, he was invited home to put his expertise to use. The result was *Hyppolit.* Over the next several years, he made some twenty-four films. But as a Jew, he was forced to leave Europe in 1938 to escape the threat of Nazism. He settled in Hollywood, where he directed a string of B-grade movies, including *Revenge of the Zombies.* Sekely's best-known film outside of Hungary is the 1955 British production *The Day of the Triffids.*

During World War II, Hungarian film production increased dramatically as a result of the embargo of American, British, and French films, as well as a sharp increase in the sale of films to Italy, Yugoslavia, Bulgaria, and Scandinavia. In addition, the mandatory proportion of domestic films that cinemas had to book was stepped up to 30 percent. The state took full control of the industry, replacing the Film Industry Fund with that National Film Committee, which exercised strict censorship. Predictably, the authorities favored the same tepid, cautious comedies that had gained popularity in the 1930s. Still, given the large volume of films made during the war—205 between 1939 and 1943—it is not surprising that a few works of genuine aesthetic and political significance appeared. The most memorable is István Szöts's *Emberek a Havason* (People of the Alps, 1942), which won first prize at the Venice Biennale. The film addresses themes of class conflict through a story about the brutal treatment of a band of gentle mountain people by a ruthless landowner. A tender, beautiful film, *Emberek* foreshadows Italian neorealism in its ethnographic depiction of life among the Transylvanian peasants.

Filmmaking During Communism

In the aftermath of World War II, Hungarians elected a coalition government, but the Communist Party played a decisive role, backed up by the presence of the Soviet Army as well as Soviet economic and political influence in the region. By 1948, a rigid, monolithic, Communist government was in place. Stalin's death in 1953 was followed by reform movements that culminated in a popular revolt in 1956. With reform Communist Imre Nagy at the helm, the revolutionaries demanded national sovereignty and political pluralism. The uprising was crushed by Soviet tanks, and János Kádár was installed as prime minister. After a period of terror and reprisals, the Kádár regime softened its restrictive policies and implemented economic reforms that led to Hungary's status as the most liberal and prosperous of the Soviet satellites. Kádár remained in office until economic crises led to the unraveling of Communism in the late 1980s.

Intense fighting between German and Russian forces in the last months of World War II virtually destroyed filmmaking and opened Hungary up to a huge influx of imported films, including some one hundred American films in the first eighteen months after the war.[19] Still, each of the four parties constituting the coalition government established its own film production company, and a few remarkable films were made. Perhaps the most noteworthy is Géza Radványi's *Valahol Európában* (Somewhere in Europe, 1947). Produced by the Communist Party, *Valahol Európában* is reminiscent of Italian neorealism in its depiction of a gang of orphans trying to survive on the streets of a nameless, war-torn city. Radványi himself was to become one more victim of the shifting political tides. Soon after he completed the film, the industry was nationalized, and he left the country to make films in France, Germany, and Italy.

Cultural policy during the Stalinist period was guided by principles of socialist realism, resulting mainly in monotonous, didactic works. Political control was built into every level of filmmaking, from the initiation of scripts to the distribution of the final product. Following the death of Stalin, ideological pressures were loosened. The neorealist trend of the immediate postwar period was revived in such as works as Zoltán Fábri's *Körhinta* (Merry-go-round, 1955). At the same time, the tradition of light comedies established in the 1930s continued through films such as Károly Makk's splendid *Liliomfi*, released in 1954.

The 1960s ushered in a golden age of filmmaking by a remarkable group of directors whose names are familiar to contemporary audiences—Miklós Jancsó, István Szabó, István Gaál, András Kovács, Márta Mészáros, Judit Elek, and many others. With the exception of Mészáros, who attended the VGIK Film Academy in Moscow, all had studied at the Academy of Theater and Film Art in Budapest and were solidly trained in the craft. In addition, some of them spent extensive periods of time abroad, collaborating with colleagues in Rome, Paris, or other cities. Their work reflects broader trends in European filmmaking, applied thematically to the efforts of their generation to come to grips with life in a people's democracy. For example, after a lengthy sojourn in France, András Kovács used cinema verité in his documentary, *Nehéz Emberek* (Difficult People, 1964), to raise questions about the individual's role and responsibility in a collective society.

Beyond this international influence, a couple of developments within the country help account for the flowering of film from the 1960s. First, the industry was reorganized into a form that would be maintained throughout the Communist period. Filmmakers remained state employees, organized into autonomous production groups. Topics were no longer prescribed by government bureaucrats, though scripts and completed films had to be approved by the Ministry of Culture. While a few films, most notoriously Péter Bacsó's *A Tanú* (The Witness, 1969), were shelved, in practice, most films were released. A second factor was the 1961 foundation of the Béla Balázs Studio, designed to reinvigorate the film industry by providing a shelter where graduates of the film academy could explore the possibilities of their medium in the absence of outside pressures. This remarkable organization operated as a self-governing collective. The government provided a modest budget but then gave free reign to the studio members, who decided which projects to pursue. Only at the point of distribution did the state exert its authority.[20]

Until the late 1970s, the state was quite generous in its support of film. MAFILM, the umbrella for Hungary's several studios, supported some twenty films a year. As Hungary began to experience serious economic problems in the 1980s, filmmakers were forced to seek funding abroad. The best-known result is István Szabó's *Mephisto* (1981), which won numerous prizes at home and abroad, including an Academy Award for Best Foreign-Language Film. *Mephisto* was the second of Szabó's films produced by a West German, Manfred Durniok, in cooperation with the Hungarian studio Objektiv. Based on Klaus Mann's version of Goethe's great drama and shot in German, *Mephisto* is the story of an actor's rise to fame and corruption in Nazi Germany.

Bori and Kovács summarize the cinematic culture of Hungary in the golden years:

> The Hungarian cinema was regarded as one of the success stories of the Kádár era. The state footed the bills, exercised censorship—tough or gentle, depending on the prevailing political wind—and the films won prize after prize at international festivals. At the time, the first screening of every new release was a major event, cinemas were filled with people ready to exchange knowing looks with the filmmakers behind the back of the censors. That tacit consensus—the director would criticize the regime in a coded language, the audience would get his meaning, the state would shut an eye and pay—disappeared ultimately by the 1980s.[21]

Post-Communist Cinema

Kádár's long compromise with the Hungarian people following the 1956 revolution—economic comfort in exchange for political quiescence—was financed in large part through Western loans. Hungary's Communist regime came apart in the late 1980s as the bills came due. In 1990, filmmaking as a state monopoly ended. The adoption of a market economy led to a flood of Hollywood films and sharp declines in local production. In the 1960s, an average of ten American films were distributed in Hungary each year. In the 1970s, the figure rose to about twenty, and by the late 1980s to about thirty. In the 1990s, over one hundred American films are distributed each year.[22]

The main problem, obviously, is funding. As Miklós Jancsó points out, the nation's population of ten million is simply too small to support a film industry that relies entirely on the market.[23] The government did establish the Hungarian Motion Picture Foundation in 1991 to support filmmaking, but it is woefully underfunded. Because the foundation is virtually the only source of funding within the country, additional support has to be found among Western coproducers, sponsors, or investors.

Again, the experience of István Szabó is illuminating. The box office success of *Mephisto* opened the doors to the West. Szabó chose to remain in Hungary, but his work undeniably reflects the commercial pressures to which Hungarian filmmakers are now subject. His first English-language film, *Meeting Venus,* was produced in 1991 by David Puttnam, head of Enigma Productions in London, and shot in Hungary. The film deals with the difficulties that face a Hungarian conductor, Zoltán Szantó, trying to organize a multinational production of Wagner's *Tannhauser* in Paris. Featuring Glenn Close as a temperamental diva who winds up in bed with the conductor, *Meeting Venus* has been criticized as a commercial sellout. David Paul more sympathetically shows how Zoltán represents the doubts and insecurities of Hungarians as they struggle to relate to the rest of Europe in the unfamiliar atmosphere of post-Communism. Played by the Danish actor Niels Arestrup, Zoltán arrives in Paris with "a baton case full of Hungarian complexes—now that we are free, do we really belong in Europe? I've proven myself in Budapest; do I have the talent to make it in Paris?"[24] As a film that presents uniquely Hungarian themes in an easily accessible form, *Meeting Venus* may represent about the best hope for feature films that can succeed in an international market.

Compared to the extravaganzas of 1896, Hungary's millecentennial celebrations in 1996 were modest and subdued. Plans for an international exhibition were canceled for economic reasons when the Socialist Party took control of the government in 1994. As Hungary finds her place in a reconfigured Europe, the experiences of a century of twists and turns bodes well for the continuation of a rich cinematic tradition.

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11

Soviet Union/Russia

Dmitry Shlapentokh

Soviet Cinema: Pictorial Images of Soviet Ideology

Throughout its history, political changes in Russia have played an important role in the country's movie industry—more so perhaps than in any other country. It would of course be a gross oversimplification to see the history of Russian cinema (actually Soviet movies) as being the product of the only culture in which the political agenda has shaped the nature of the cultural output. In observing American movies, one can readily see the political taboos and stereotypes within them. Indeed, one can hardly find an American movie where the negative character of a member of a minority group or female is not counterbalanced by a female heroine or a hero of minority origin. Yet despite the public pressure that defines the way this or that subject may be treated, Western movies have never been totally controlled, and for this reason they can be approached from various angles. For instance, the political angle would just be one of many approaches, and one could claim with ample justification that it would not be the most important.

In the case of Soviet movies, however, a film's content was implicitly connected to the regime. The content could be either a direct response to the demands of the regime and its ideology or the response of the creators of the movie to ideological pressure. Consequently, the history of Soviet cinema can be divided according to the major ideological shifts in the Soviet regime. Each of these stages had a major problem and/or a major hero on which the movies focused. It would of course be an impossible task even to mention the names of the most important movies created during the seventy years of the Soviet regime's existence. For this reason, I have been extremely selective in my choice of movies as well as the intellectual and political stages in the development of the Soviet system. For each of these periods, the images of the particular films selected, in my opinion, best convey the ideology of the time.

It is possible to divide the history of Soviet cinematography into the following stages, each of which corresponds to certain political and cultural developments in the country. First is the time of "revolutionary" movies. This was a period when the political and economic systems of the regime were still in formation, and the regime's ideology received its major inspiration from the legacy of the revolutionary upheaval and the Civil War. Second is the period of the Great Purge. While in its external political manifestations this was a period of bloody terror, it can be characterized in the ideological realm by its steady shift from the revolutionary ideology (which of course never completely disappeared) to Russian nationalism. Third is the period of Nikita Khrushchev and Leonid Brezhnev, when several new intellectual trends appeared. One of them, a new modification of Slavophilism, found its way onto the screen. The fourth period is the time of what could be called "Enlightened Stalinism," during the short but important Andropov reign when the country was at a crossroads. The fifth period deals with the last years of the Soviet regime.

The Birth of Soviet Cinematography: The Revolutionary Movies

This period covers the birth of the Soviet regime and its development up to the late 1930s, when the political system had finally shaped itself. It was at this time Soviet cinematography emerged and was firmly incorporated into the ideological machine of the regime, serving in many ways the ideological premises of the Soviet elite. The incorporation of the film industry into ideological and political machinery of the regime was part of the country's economic transformation. As were many other industries, the movie industry was nationalized during the incipient stages of the regime. This had major repercussions for the industry. First, Soviet film producers paid little attention to economic considerations when deciding what films would be made. There is little doubt that Soviet filmmakers, together with other Soviet intellectuals, were anxious for their work to be genuinely popular with the public. Yet this popularity was free from any monetary considerations, for the producers well-being depended not on the sale of tickets but on the benevolence of the party elite. Second, because the state owned everything, from the studios to the theaters, from publishing houses to the printing presses, it had an unprecedented level of control over intellectual productions including movies. Indeed, the state not only prohibited the production of any film regarded as dangerous to the regime, as is the case in most authoritarian societies, but also would not allow any movie to be made unless it was considered ideologically useful.

As in future periods, a variety of ideological trends characterized the era. Yet one trend did dominate. Revolutionary ideology saw the Bolshevik Revolution not as just an event in Russian history but as a momentous event in global history. According to this viewpoint, the Bolshevik victory had ushered in the era of worldwide socialism.

The major movies of this period focused their attention on the masses' revolt as well as revolutionary leaders. *The Battleship Potemkin,* one of the first Soviet movies to receive international recognition, was set during the 1905 revolution, which, according to Soviet historiography, had been the "great rehearsal" for the Bolshevik Revolution. The movie is set on the battleship Potemkin, where the sailors rose against their superiors. What the sailors demanded from the leaders, of course, was the end of czarist oppression. *Chapaev* was another type of these movies that enjoyed enormous popularity throughout the country. While the *Battleship Potemkin* represented the revolutionary masses, the major thrust of *Chapaev* was the revolutionary leaders and their eagerness to fight for the cause. The film placed special stress on the role of the party in the revolutionary struggle. Indeed, the major protagonist of the story, the popular Commander Chapaev, did not always demonstrate the necessary political savvy, so it was necessary that he receive tutelage from a political commissar to ensure that he fought successfully for the cause.

The Purge Years

The 1930s were pivotal for Soviet society. With its "revolution from above" and its forced collectivization and complete elimination of private enterprise in the cities, the regime had acquired the characteristics of an oriental despotism. Yet, while the regime resembled the Egypt of the pharaohs and Imperial China, it had several specific characteristics of its own. There was social mobility, though of a peculiar type. The bloody purges constantly forced the bureaucracy to "rejuvenate" itself. Soviet society was also dynamic, in the sense that the regime had set out to change things completely. The regime also believed that it was bound for global predominance. These essential elements of the regime shaped its ideology, which was controversial despite the fact that its externally simple ideological paradigms sounded like religious creed.

On the one hand, the ideology emphasized the dynamic and concreteness of the time, and ideological statements were directly connected with this or that demand of the state. In this ideological reading, society had a definite goal—the building of first a Socialist then a Communist society. And this struggle, with all its concreteness, had global and cosmic proportions. On the other hand, there was the underlying notion that time had actually ended, and here events were seen as just another repetition of the eternal struggle, or to be more precise, the struggles of Russian leaders to obtain glory for the state had not ended and never would.

The eternal dimensions of Stalinist cultural space—that is, the vision of the eternal problems of the survival and rise of the Russian state—manifested itself in three historical movies, in which the past and present were intimately connected, that were made during the times of the Great Purge. The movies were *Ivan the Terrible, Peter the Great,* and *Alexander Nevsky.* Although each of these films deals with a different historical personality, often divided from each other by centuries, and although the producers made a concerted effort to provide a degree of historical accuracy, the movies were actually ahistorical. They dealt with the eternal present—the Russian state and its leaders' struggle for state might. Here, the leader deals with the following problems: foreign powers (mostly hostile), traitors (direct or indirect helpers to foreign powers), and the masses. It was also implied that the allusions between past and present were not due to an intentional attempt to picture the present in the garb of the past, for example, presenting Stalin in the guise of Peter, Ivan, and Alexander. It was merely that the past had the same problems as the present.

Ivan the Terrible was the key movie of the purges, for the bloody reign of this sixteenth-century czar offered the best analogy to what the residents of the USSR experienced during the late 1930s. While Soviet Marxism continued to maintain that it was the masses who were the real engine of history and the locus of historical events, it was not the masses but Ivan who was the central figure of the film. His relationship to the state is controversial or, to be more precise, multifaceted. On the one hand, he is not separate from the state, and his love for the state is indeed a real passion. Although he is married and a tender husband, his personal life is subservient to the state. Moreover, his personal life is needed not for its own sake but for the benefit of the state. His wife is a tireless collaborator in his labors and is needed to produce the little czarevich—the successor to the throne. His love for his son is actually his love for the state, for an end to his dynasty would lead to the disintegration of the state. On the other hand, Ivan is the embodiment of the state and for this reason demands absolute obedience and the ultimate sacrifice. In his quest for glory for the Russian state, he faces several major obstacles. First are foreign powers. In attendance at his coronation are several cunning Western European ambassadors. The Tatar kingdom of Kazan represents the Eastern threat. The existence of enemies inside Ivan's own camp aggravates the foreign threat. The reason these enemies betray Ivan, essentially the Russian state, vary. One of Ivan's enemies is a group of old boyars who are upset with Ivan's centralism and ready to place an ineffectual leader on the Russian throne to protect their caste's interests, even at the expense of the state. There is also Ivan's best friend, Prince Kurbskii. While not without talent, Kurbskii is obsessed with his personal ambitions and passions, and these lead him into the camp of enemies of the Russian state.

Ivan's relationship with the Russian masses is also quite controversial. The masses, who are gullible and easily led astray, are in no way equated with the Russian state. Yet they have an instinctive respect for the authorities, and under the sway of the charismatic leader, they perform miraculous military feats and enlarge the state by conquering Kazan.

In *Peter the Great,* Stalin emerges in the capacity of the emperor-reformer who industrialized the country and built a modern military machine. Like Ivan, Peter is the embodiment of the Russian state and faces several enemies. And though the Swedes are visible and an apparent threat, as in "Ivan," it is the internal enemies that are most important.

The important point here is that the populace not only is not on the side of the Russian state but also is hostile to it. When a member of the populace does decide to side with Peter, as in the case of a peasant who decides to join the army, it is not done out of patriotic ardor but for rather mundane reasons. The soldier wishes to escape the unpleasant lot of the serf. Even when the army of peasant soldiers engages in a successful charge against the enemy, they have not done so because of the emperor's personal inspiration. A promise to allow the soldiers to loot and rape is the major reason for their motivation.

The population is stubbornly against reforms (essentially the Russian state) and stubbornly cling to their religious beliefs. According to the movie, though the populace could evoke pity, it should be crushed along with the other enemies of the reforms—the stupid backward nobility, the clergy, and even Peter's own son, Alexei, who takes the populace's side. Peter had to be wary of even his closest lieutenants, who had been elevated from lowly positions to the top of the political pyramid. Indeed, similar to almost all segments of Russian society, they lacked understanding of the state's paramount interests and thought only about their personal interests and what they could easily steal. As was the case with Ivan, Peter is the only defender of the interests of the state and, as a matter of fact, is the state itself.

Alexander Nevsky was set in the thirteenth century, during a time when Russia faced various foreign threats. Prince Alexander emerged as the pivotal figure in these conflicts. The Russian people performed miracles of heroism and were able to vanquish their enemies, but only because they were led by Alexander, a great leader.

The Age of Stagnation

The advent of Leonid Brezhnev, after Khrushchev's short rule, opened a new era in the history of the Soviet Union and the role the country's movie industry played in it. The regime's social and political characteristics and their role in the country's intellectual life were contradictory. On the one hand, a grim and ossified bureaucracy dominated the political landscape, and an overly vigilant censorship inhibited free creativity. As in previous periods of Soviet history, the regime censored any artistic expression. Only the movies that were directly sponsored by the regime could be released for viewing, as the regime controlled all resources of the society. On the other hand, Brezhnev had actually ended repression on a wide scale, and now only the "really guilty" political dissidents were punished. Under Brezhnev, as long as one did not directly confront the regime and was free from the stigma of being Jewish, an intellectual could get a job in various scientific and cultural organizations and enjoy a remarkable degree of stability.

Although most Soviet intellectuals of the period saw the state's control as a curse on their creativity, it did have positive dimensions, which can only be appreciated in hindsight. As in previous periods, the state was the owner and the customer. For this reason film producers were free from concerns about ticket sales. Neither their official position nor their salary depended on the market. At the same time, Brezhnev's regime was much less ideologically vigilant than those of its predecessors. To be sure, creative freedom was "rationed," in the same way that other consumer goods were. This implied that a few top intellectuals, usually those with worldwide fame, were provided with more freedom for creative activity than ordinary folk. Yet, the regime gave these top intellectuals the freedom to exercise their creativity without regard to market forces. While the Soviet regime maintained the notion that it represented the masses, in its providing film producers with a sense of economic freedom from market forces, it was actually providing them with an independence from the masses. This helped instill in Soviet intellectuals, including film producers, a sense of elitism, which in may ways was responsible for the creation of movies (e.g., Tarkovskii's) that became real masterpieces, not only of Russian cinema but also of world cinema.

There were several trends that dominated the intellectual life of the society during this period. The most important apparently was Slavophilism, which throughout the history of Russia has enjoyed many manifestations. The Slavophile doctrine was an essential element of both official ideology as well as a variety of oppositionist or, to be more precise, semi-oppositionist intellectual trends. Among various representatives of this trend was Andrei Tarkovskii. He launched his career as a movie producer during Khrushchev's era. Most of his movies, however, were made during Brezhnev's reign. In the course of his career, Tarkovskii found himself at odds with Soviet authorities and was compelled to emigrate. He spent the last years of his life abroad.

In many ways, Tarkovskii was the best representative of the dominant ideas in the society and its approach to life in general. His vision of life in the Soviet Union, which he expressed in his movies, has been characterized as looking on the events from afar, in a global, sometimes cosmic, context. Slavophilism was the central philosophical paradigm in Tarkovskii's oeuvre. Slavophilism had emerged in the nineteenth century and maintained that in sharp contrast to the West, Russians were the only Christian people. The Russians people's penchant for sacrifice and collectivism were essential aspects of their national character and were traits that would ensure Russia would assume world leadership.

Tarkovskii's Slavophilism could be detected in his early movies, for example, in *Ivan's Childhood*. The central figure of the film is a child, Ivan, who, though not very sophisticated, is sincere with a strong penchant for sacrifice. The image of Ivan is clearly modeled after the New Testament saying that only the children (i.e., those who are openhearted) can attain the kingdom of heaven. Actually the children are co-persons, so to speak, with Christ. In more general terms, Ivan represents Russia, and Russia in such a case is the collective embodiment of Christ. The life of Ivan is set in the context of the Great Patriotic War, and Ivan, despite being a child, has participated in the ordeal. In the movie Ivan commits no violent acts, and the film implies that the victory of the Russian people (and it is implicitly assumed that the majority of the Soviet people were ethnic Russians) was not the result of technological superiority or even military valor, but rather it was the result of the Christian qualities of the Russian people. The victory was the result of a sort of mystical process in which Christ-Russia defeated Satan-Germany. The film implied that the war was specially designed to help Russians reveal their Christian qualities—kindness and a penchant for sacrifice first of all.

The major idea of this movie was found in many other films produced during the Brezhnev era. The major protagonists of such works were always the equivalent of the child Ivan. The hero would be a representative of common folk, usually a village resident or a simpleton, the holy fool of Russian folklore who implicitly was closer to Christ and consequently Russia's national spirit than the sophisticated urbanite.

The Slavophile ideas already seen in *Ivan's Childhood* were fully developed in Tarkovskii's *Andrei Rublev,* filmed during the Brezhnev era. The movie focused on the life of one of the most famous of Russian icon painters of the late fourteenth/early fifteenth century. While on the surface the movie dealt with the past, it actually told a story of the present. As a matter of fact, its political implications were clear for the intelligent Russian viewer, who similar to his Chinese counterpart always was looking for the hidden meaning in the presentation of this or that historical figure. Some of the images of the movie were clearly modernized. The prince's henchmen, who arrested the skomorokh (the wandering popular artists of medieval Russia), had a strong resemblance to the Soviet secret police. The entire scene of the arrest was similar to the arrests of dissidents in Brezhnev's time. Yet this intermingling of present and past was not Tarkovskii's ultimate goal, though he may have unconsciously contributed to the desire of the majority of Russian intellectuals of that time to look in each piece of art, movies included, for barbs directed at the regime. These events were needed for Tarkovskii to emphasize that the movie was not so much about this or that historical personality but about Russia as a whole and her historical destiny.

A superficial observation would hardly allow one to see a positive vision of Russia in the movie. The Russians exhibit the most ugly characteristics, hardly the traits of the world's true Christians. The Russian princes willingly join their troops with pagan, sworn enemies of the land. They even send their troops on plundering expeditions against their own kin and watch indifferently as Mongols desecrate a Russian Orthodox church and torture the priests to death. A Russian girl willingly plays with the Mongols who have devastated her land and is implicitly ready to become their concubine. Yet all this ugliness of the Russian people is just a backdrop for Russia's spirituality. The ugliness emphasizes the deep-seated Russian spirituality seen, first of all, in Andrei Rublev. His icons and their message of the divine are the real manifestation of the Russian soul, of its Christian essence, which ensures a great future for the country. Tarkovskii conveys this idea in various episodes. The case with the boy craftsman would be an example.

The prince needs a bell for a major new church, and he begins a search for a craftsman who could produce such a bell. The prince's messenger finds the countryside desolate, with few people other than the old and the young. One boy claims he knows the craft, which he learned from an experienced craftsman. Despite some skepticism, he is hired, for there are no other alternatives. Later, after successful completion of the project, it is discovered that he had actually been without skill. The implication of the story is as follows: The boy, as the boy in *Ivan's Childhood*, represents Russia in her wholesome, Orthodox Christian spirituality. And it is this spirituality, not the external ugliness of Russian life, that constitutes the country's nature. This secures for the boy, the embodiment of the countryside, a blessing that ensures his completion of the project. The project itself, the making and lifting of the big bell, symbolizes the country's unperishability as well as its spiritual leadership.

Tarkovskii's attempts to load his movies with deep philosophical ideas led him to tackle the problems of not just Russia but also the fate of humanity in general, for example, in his movie *Solaris*. Highly symbolic and enigmatic with several layers of pictorial meaning, it resembles another Tarkovskii film of the same kind *(Mirror)*. *Solaris* is staged in a space station, where astronauts have encountered a strange new civilization. The most important point of their encounter is the revelation to the humans that they actually represent only one species. Moreover, they are residents of a tiny planet, and they should band together (collectivize) to face the vast and hostile cosmos.

Soviet Movies in the Age of "Enlightened Stalinism"

The death of Brezhnev in 1982 led to the brief reign of Yuri Andropov. His short rule is usually ignored by those who venture to study recent Russian history, as it is usually viewed as a short prelude to the beginning of Gorbachev's reforms. Yet this is an overly simplistic interpretation, for his reign has its own legacy. As a matter of fact, Andropov if not for his terminal illness might have possibly led the Soviet Union in a way that would have been quite different from that of Gorbachev. Under Andropov the USSR might have survived and come to resemble China under Deng. The political and ideological foundation for Andropov's rule could be called "Enlightened Stalinism."

Neo-Stalinism, with its preaching of the might of the state, had been incorporated into official ideology since Brezhnev's time. It also has been part of popular ideology, and in this social context neo-Stalinists have viewed Stalin fondly as a harsh egalitarian leader who would have decimated Brezhnev's bureaucracy. While Andropov accepted this aspect of the neo-Stalinists' popular image of Stalin, he also brought some new essential elements to the ideological paradigm. To start with, while being critical of the bureaucracy, Andropov's neo-Stalinism was equally suspicious of the populace. As a matter of fact, Andropov was suspicious of all groups in Soviet society and saw most of its members as lazy, corrupt, and indulged in one way or another. The only exception was the KGB, the secret police. The KGB, however, was not viewed as a force with which to combat political opposition but rather as a stern but enlightened supervisor/parent, who while checking the destructive and criminal urges of the child/populace, provided room for limited economic freedom and creativity. Although stern and harsh when need be, the KGB and the thin layer of the political elite were presented as a humanitarian force. In Andropov's view the populace was not humane and could be overcome with a destructive frenzy. In this context the ruling elite actually performed a humane mission: It saved the populace from themselves. In short, the secret police and the small fraction of the party that were included in the elite were seen by Andropov as a sort of new edition of Plato's philosopher-rulers. Andropov apparently wanted the public to view him in this way, and the KGB informed the public in an indirect way that Andropov's study was full of the books of great philosophers and not only of Marx and Lenin, as was the case with other Soviet leaders.

The KGB had a long history of patronizing art and culture and some members, including its elite, were engaged in cultural activities. General Tsvigun, one of the KGB leaders, engaged in the writing of literary prose, and Andropov himself wrote poetry. It is not surprising that the KGB used the movie industry to propagandize its efforts.

Andropov's major justification for refusing to loosen his control over the populace was the idea that practically all segments of the Soviet population were corrupt in one way or another. Although the populace exhibited some positive qualities, they would act in a positive and socially responsible manner only if directed by a strong and enlightened power. This image of the Soviet people could be seen in the movies *The Blonde Around the Corner, Fell in Love at My Own Request,* and *Most Charming and Attractive*, as well as many others.

In these films the masses were eager to engage in stealing and were decimated by drunkenness. Craving only foreign goods and other perks, they had no sense of patriotism or of their social responsibilities. The intelligentsia was not much better. In some of these movies, intellectuals were presented as creative people who cared about their jobs, yet even these positive characters could not function in the real world without guidance, for intellectuals were childlike. However, these positive portrayals were few. In these movies most intellectuals were dilettantes who had no real interest in their work and demonstrated no intellectual pursuits. The movies implied that the majority of the Soviet intelligentsia had strove for their jobs for only one reason: The jobs required little exertion. They were sort of welfare recipients or, to be precise, pensioners of the state. Worse, they had little moral inhibitions and spent most of their time in amorous adventures. As a matter of fact, amorous adventures constituted the essence of their lives' true meaning. Family obligations were of no consequence, and married intellectuals were engaged in extramarital affairs on a broad scale.

According to these films, those who enjoyed intellectual sophistication used it to justify the absence of moral restraints. Their philosophical foundation was absolute cynicism, and their cynicism was reinforced by the intellectual sophistication. An episode in the movie *The Most Charming and Attractive* showed how intellectuals spent their time—translating their intellectual prowess into a method of seduction. The scene presented a Muscovite intellectual who has brought a girl to his apartment, supposedly for intellectual conversation. He indeed overwhelms the girl with a flood of erudition that amazes and dumbfounds her, but he takes this as an opportunity to cover the window of his room with a curtain in preparation for sex. The approach to intellectuals as cynical was in no way limited to males; females regarded this sort of promiscuous behavior, the manifestation of cynicism, as legitimate.

While movies with a neo-Stalinist message generally did not elaborate on the bureaucracy, when the bureaucracy was portrayed, the images were usually as unflattering as those of the intellectuals. The bureaucrats were shown as utterly corrupt, with the only exception being members of the KGB, whose fine qualities make them the only people fit to rule. KGB propaganda in films had already started during Brezhnev's time, through movies directly financed by the agency. A good example here would be the television series *Twelve Moments of Spring*, which became immensely popular. The major protagonists of the series became the subjects of numerous jokes and anecdotes in the popular lore.

Externally, the series was set in Nazi Germany and focused on a Soviet intelligence officer who functioned under his German pseudonym, Shtirlits. On the surface his major antagonist is the Nazi Muller, but Muller is actually Shtirlits' alter ego. The popularity of the show stemmed from its political implications. It was clear that the story was not about Nazi Germany but about present-day (Brezhnev's) Russia, and the Nazis were members of the Soviet Communist Party. The party establishment is not presented as brutal but as a stupid and ossified bureaucracy. Despite their supposedly total surveillance of the country, the bureaucrats are unable to detect the real enemies of the regime. As a matter of fact, Shtirlits, an intelligence officer from a hostile country, works unmolested in their midst. Shtirlits, while courageous and with iron self-control, is no Soviet superman. He is different than the superman of Stalin's time (a Soviet James Bond type). It is intelligence that makes him superior to the bureaucratic imbeciles of Nazi Germany (read Soviet bureaucracy). He can be compared only to Muller, whose comments and jokes reveal the stupidity of the Nazi (read Soviet) elite.

Upon Andropov's ascension to power, these images of the KGB as philosophers on the throne were reinforced. One of the most important movies from this perspective was *Confrontation,* which was set in the contemporary Soviet Union with a member of the KGB as the major hero. This KGB member is engaged in a search for a dangerous criminal who is also guilty of war crimes during World War II. While searching for this criminal, the KGB member is afforded ample opportunity to reveal his fine character. His essential goodness is revealed through juxtaposing him to other members of Soviet society. Indeed, most members of Soviet society expect the hero to behave in exactly the same way they do—that is, they expect him to be utterly cynical and self-seeking and to use his power as a KGB agent to indulge himself. Yet in their interaction with the hero, they discover that they are mistaken and that members of the KGB are made out of different, nobler human material.

Most of the Soviet people, both male and female, are portrayed as sexually loose. A young female who becomes acquainted with the hero expects that he will try to seduce her, but she discovers the KGB member is a faithful and attentive husband. Other characters in the movie discover to their surprise that the hero has not used his position to obtain fine foreign goods, such as fine clothes. The KGB canteen is in no way spectacular. It is based on self-service, and there are no hard to obtain foods at reduced prices. There is a certain implication in the juxtaposition of the modesty of the KGB dining room to the party dining facilities, where hard to obtain goods are offered at ridiculously low prices. A member of the local bureaucracy, whom the hero encounters during his investigation, brags about the good apartment he has, while it is implied that the KGB member lives in a modest apartment. The KGB member also does not share in the nationalistic prejudices prevalent in the society. For this reason, he approaches Jews positively and is actually easy with the idea that Russian Jews could emigrate to Israel if they desired. In his encounters with ordinary people, the hero is shown to be humane, while members of the populace are shown to be quite cruel.

It is clear that the KGB member is much better than the populace and not because he is a sort of a superman in the Nietzschean way, "beyond good and evil," whereas the populace clings to conventional morality. On the contrary, it is the best representatives of the elite who have moral restraint. The rest of the society has none. It is implied that the liberation of society from control would lead to endless and manifold abuses as well as splashes of violence. In this context, the KGB, in most general terms the best part of the elite, has actually saved society from itself.

Gorbachev's Reforms and the Movies

Gorbachev's reign led to the slackening of state control over Russian society, which in turn led to the end of the Soviet system and the disintegration of the USSR. Gorbachev was Andropov's appointee and originally based his ideological policy on Andropov's ideas. He held firm to the idea that all sections of Soviet society should be controlled from above, while emphasizing that his was not the government of a sadistic tyrant but of a humane, Platonic philosopher. For this reason, Andropov's strategy had been to lambaste both the Soviet populace and the brutality of Stalin. It was hardly an accident therefore that Andropov initiated the creation of the movie *Repentance* (1984). The movie was filmed in Georgia, one of the more "liberal" republics, where ideological control had been less stringent than in other parts of the USSR during Brezhnev's reign. Although the film was created during Andropov's term in office, it became crucially important during the Gorbachev period.

The movie was an allegory, set in a fictitious country run by a tyrant. The tyrant had several characteristics that made him similar to Hitler, Mussolini, and Lavrenty Beria, the last Soviet secret police chief. Before the tyrant died, he committed numerous atrocities. The residents of the country did their best to obliterate the memory of the tyrant, thinking that if they were able to do so, they could begin to build a better life. Yet this attempt to forget the tyrant without a critical evaluation of his regime leads to nothing. Only after a critical evaluation can citizens finally find their "way to church," that is, to a spiritual uplifting that will make their lives truly happy.

Both Andropov and the producer of the film had an idea in mind that was quite different from that of the political implications found in the movie during Gorbachev's rule. Andropov had intended to underscore that his regime's toughness would be different from that of Stalin. The producer took the opportunity to explore what had been a forbidden topic and had cautiously critiqued totalitarianism. His cautiousness forced him to tackle his subject on a broad scale. For instance, he did not single out Stalinism but railed against various other forms of totalitarian ideology and practice. Yet in the ideological and political context of Gorbachev's USSR, the implications of the movie were much broader than had been designed. The movie became a sort of manifesto (along with other works of art and literature), a pictorial condemnation of the entire Soviet system. And it was these social implications that established the film's importance in the history of Soviet cinematography and the general intellectual developments of the last years of the Soviet regime. Its impact on the public mood and its importance in the dismantling of Soviet ideology can only be compared to one other film, *Little Vera.*

The content of *Little Vera* is trivial from the Western point of view, and its intellectual content does not measure up to *Repentance.* Yet the movie displays an artistic quality that merited it becoming a topic in Russia's intellectual discourse. The film focuses on the life of a family of average Russian workers in one of Russia's provincial cities. The movie's heroine is a young woman who goes by the nickname Little Vera. In some ways she epitomizes the Soviet people. She is good by her very nature—a loving daughter, kind to strangers, and not greedy. Though she has numerous love affairs, there is no trace of mercantilism in her choice of lovers. Despite her good qualities, however, Vera is absolutely unfit for any social role. She neither studies nor works. And regardless of her kind heart, she seems unfit to be a wife and mother. Her major preoccupations are casual sex and dancing. More important though is that Vera is not an aberration. As a matter of fact, she represents Soviet society, which is rotten to the core. There are no positive representatives of any social or age group in the film. Vera's friends are also promiscuous, and the men who would seem to be the right age to become suitable lovers spend their time drinking and carousing and starting savage brawls.

The law-abiding citizens of the society also inspire no sympathy. Vera's married brother, who has a cushy job in the Soviet government, seems to be a productive and useful citizen who maintains his family responsibilities. At first glance he seems different from Vera and her friends, and Vera's father appeals to him to use his authority to persuade his sister to change her life, a task he undertakes willingly. He is not successful for this reason: He is cynical to the marrow of his bones. His cynicism represents the cynicism of the state. Vera's lover and would-be husband, whose parents are important Soviet officials, has a character similar to that of Vera. He neither works nor studies, and he too is unfit to be a father and husband.

The only people with positive qualities in the movie are Vera's parents, who both engage in hard manual labor. They are the only people in the film who engage in some sort of productive labor, and they support Vera and her would-be husband entirely. Yet they are hardly working-class heroes, and not only because they are unable to control Vera. They have limited intellectual capacity and are prone to drunkenness. The movie's ending reinforces the entirely negative images of the film and the absurdity of Soviet life. The movie ends in a drunken brawl that escalates into a crime.

The presentation of Soviet society as rotten to the core was not a novelty. Movies produced during Andropov's reign had presented the society in the same way. However, those films did have a startling difference: There were several positive portrayals of Soviet leaders, mostly members of the KGB, as had been the case in *Confrontation*.

In *Little Vera* there were no such positive portrayals, and there were no alternatives either. The only message seemed to be that since society is rotten to the core, all restrictions of the society are null and void. Any act that defies conventional norms is legitimized. And here *Little Vera* had an important innovation. This was the first Soviet film to openly show sex on the screen. Although innocent by Western standards, the images were revolutionary to the Soviet people. The film's images, together with images from an array of books and articles, were perceived not as a true representation of life and the vagaries of the flesh, nor as the legitimization of portraying all aspects of human life, but rather as license, in the broad, holistic meaning of the word.

To some degree, *Little Vera* was the culmination of Gorbachev's reforms. It symbolized a liberation from scores of old taboos. It also announced that the easing of Soviet control had triggered a destructive force that would eventually overwhelm the country and lead to its disintegration. This was a society of countless Little Veras, who, deprived of the harsh but protective rule of the party, had been transformed essentially into prostitutes with multitudes of criminal and semicriminal boyfriends.

Little Vera was created during a time of high excitement. Soviet intellectuals had seen their most cherished dream fulfilled, in the sense that they no longer had an external power to censor their creativity. But the movie also marked the beginning of the collapse of Soviet cinematography and, in many ways, Russian cinematography in general. By the last years of Gorbachev's reforms and especially in the post-Soviet era, the film industry started to suffer from the transition to a free market economy. Soviet intellectuals, including filmmakers, began to feel a certain nostalgia for the Brezhnev era. The economic decline, which accelerated after the collapse of the USSR, deprived Russian movies of state subsidies. The development of capitalism and its responsiveness to market demands could hardly help Russian film companies, with their small amount of knowledge of marketing, to produce masterpieces similar to Tarkovskii's. And like Russian industry and agriculture, Russian films suffered at the hands of foreign competition.

Indeed, the introduction of Western movies on a mass scale into the Russian market had the same devastating effect as the invasion of foreign goods in other areas. Western movies, most of them with a sex and violence orientation, pushed Russian movies aside. Those Russian film producers who wished to survive had to follow in the same path. And while such movies, with their explicit violence and sexuality, might seem similar in content to *Little Vera,* they have quite a different social message and content.

While the producers of *Little Vera* had shown various aspects of human sexuality, the intent had been to challenge the authorities. The sexuality in the film was the manifestation of social and political protest, an act of defiance in showing what had been prohibited by official censorship. Post-Soviet producers whose movies were also full of sex, crime, and violence had a different motive—profit. These new movies emphasized that crime and violence were profitable enterprises, underscoring the deep changes in the average Russian's mentality.

During Brezhnev's reign, the highly sophisticated movies had generated profits because of the prevailing tastes. Intellectual sophistication was fashionable, and whether it was books or movies, artistic work was profitable. The situation changed dramatically in post-Soviet Russia, where crass materialism became the dominant intellectual trend. Those Russians who retained an interest in sophisticated intellectual products, including movies, no longer had the means to provide financial backing for movies of high artistic value.

As post-Soviet Russia experienced one economic debacle after another and a sharp decline in international prestige, there was an increasing nostalgia for Soviet times. This is reflected in, among other things, the popularity of old Soviet movies, which are currently standard fare on Russian television. While Russian society in general and the movie industry in particular is in the grips of a deep political and spiritual crisis, there are some signs of recovery as far as the movie industry is concerned. One of the signs is the release of a new film by Nikita Mikhalkov that deals with the Stalin's purges. The fate of Russian movies is bound to the fate of Russian culture and in more general terms with the fate of post-Soviet society, which is still in a state of economic, political, and intellectual flux. What lies ahead is uncertain.

Editor's Note

Dmitry Shlapentokh's history of Soviet cinema begins with the 1917 Revolution and continues through the contemporary post-Soviet era. As a supplement to this chapter, the following scholarly resources can provide interested readers with considerable information about the Russian movie industry prior to 1917: Jay Leyda, *Kino: A History of Russian and Soviet Film*, 3rd ed. (Princeton: Princeton University Press, 1983); Richard Taylor and Ian Christie, eds., *Russian and Soviet Cinema in Documents, 1896–1939* (London: Routledge, 1988), and *Inside the Film Factory: New Approaches to Russian and Soviet Cinema* (London: Routledge, 1991); and Yuri Tsivian, *Silent Witnesses: Russian Films, 1908–1919* (London: British Film Institute, 1989), and *Early Cinema in Russia and Its Cultural Reception* (London: Routledge, 1994). A very brief summary of developments in the Russian film industry prior to 1917 is provided below for students who have limited access to these scholarly sources. It should be noted that until the Soviet archives were opened to the West in the late 1980s, revealing that over two hundred films from the pre-Soviet era were still in existence, most information about early Russian films came from the writings of contemporary Russian movie critics and a number of artists who took an interest and wrote about the movies, as well as from subsequent Soviet film scholars, rather than from viewings of the movies themselves by audiences, critics, and scholars outside the Soviet Union.

Prerevolutionary Russian cinema was dominated by European films, especially French movies, including Lumière films initially and eventually those of Pathé and Gaumont, which opened Russian studios in 1908 and 1909, respectively, as well as Italian movies produced by Cines and Danish Nordisk films. The outbreak of World War I in 1914 stimulated significant growth of domestic movie production and a dramatic decline in the importation of foreign films. Most of the production activity in Russia took place in two cities, Moscow and St. Petersburg. Film stock continued to be imported from Europe. Two Russian filmmaking companies, A. O. Drankov and Khanzhonkov, began operations in 1907 and 1908, and by 1914 they, along with Yermoliev, a third important producer who began operations in the same year, were able to capitalize on the talents of several emerging directors, including Evgenii Bauer and Yakov Protazanov, who began their film careers in 1912. Bauer directed dark melodramas for Khanzhonkov, while Protazanov directed adaptations of Pushkin and Tolstoy, usually starring stage actor Ivan Mozhukhin, for Yermoliev. In addition, a puppet animator, Wladyslaw Starewicz, directed experimental animated films as well as numerous features for Khanzhonkov during this period. By 1916, it has been estimated, there were over twenty-five movie production firms in Russia. The czarist government stimulated the production of documentaries by setting up a military film committee, giving it exclusive access to coverage of the war, and encouraging the production of propaganda films that helped prop up the tsar, as social conditions worsened. The 1917 Revolution initially stifled Russian film production, but it eventually turned the movie industry in a radically different direction.

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France

Susan Hayward

Cinema was "born" in 1895, and depending on the historian, it was first born either in France or the United States. The American Thomas Edison's claims to first place are as strong as those of the French brothers Auguste and Louis Lumière. In 1891, Edison (in tandem with W. K. L. Dickson) patented the kinetograph, a moving film camera, and in 1893 gave his first public showing of the short film with the peephole viewer called the kinetoscope. In 1895, the Lumière brothers gave the first ever commercial screening of film footage shot by their *cinématographe,* a dual purpose camera-projector. This is France's claim to first place in the history books. Less contentiously, it can be argued that cinema, as an integrated industry, originated from France in 1902 only to be "copied" in 1916 by the Americans, who very quickly took the pole position. The acknowledged pioneering spirits where production and distribution practices are concerned are Charles Pathé and Léon Gaumont. By the early 1900s, both had created and developed their companies into the major representatives of the cinema industry. The ranks of these two majors were joined in 1907 by a third company, Eclair, and in 1908 by a fourth, Eclipse. Pathé and Gaumont were the biggest investors in the development of the industry in terms of equipment, studios, theaters, and production. Eclair and Eclipse, because they were smaller and had less resources, invested primarily in studios and production.

The Pathé Frères' film company was established in 1896. By 1897, they had extended their premises in Vincennes to include film laboratories and studios. Léon Gaumont moved into camera manufacturing and launched his first prototype (Bioscope Demenÿ) in 1895. Shortly afterward, he set up his own studios in Belleville, under the direction of Alice Guy. It was Charles Pathé, around 1902, who first saw the profitability of renting rather than selling films outright and so revolutionized distribution practices while at the same time increasing his business figures tenfold. In a very brief period (1902–8), he established outlets all over the world and opened up a factory and a studio in the United States. Similarly, Gaumont set up branches far and wide abroad. By 1907, both Pathé and Gaumont were the leading production and distribution companies in the world. They then went on to build their own exhibition venues—Omnia-Pathé (1906) and Gaumont Palace (1910). This meant that Pathé and Gaumont were the first vertically integrated film companies in the industry.

Although world leaders, neither company saw the need to monopolize the internal market, so at this stage in their history, they coexisted alongside the smaller companies, Eclair and Eclipse, and the newly launched "cultural" film company Film d'Art. Because France was the dominating force in this new boom market, Pathé and Gaumont had little to fear from smaller companies whose films, incidentally, were distributed by the Agence générale cinématographique. As markets retrenched and France lost its pole position as the leading film industry, this happy coexistence between the majors and the smaller independents did not continue. By the end of the first decade of the twentieth century to the early 1920s, the United States (mainly Hollywood) had taken the lead, and France's film industry was in decline. What followed for the French majors was a series of troughs and peaks that had direct consequences for the small independent companies.

The reasons for the decline of the French film industry at this early stage in film history are various; some were self-inflicted, others not. The decline, which peaked during the 1920s, can be dated back as early as 1914, when the industry was riding high on its international success but saw little reason to renew its equipment or review its established practices. Believing it could maintain its international monopoly with cheaply produced films, it made space for other competitors to enter the field. By 1914, competition was growing apace, especially from the United States but also from Germany and Sweden. As far as America was concerned, her film industry was now booming and producing the kind of films that the American public wanted. This eliminated the need for the "foreign" product. At the same time, these American products had started to appeal to French audiences, an appeal that grew during the war years (1914–18), when the French wanted popular entertainment (comedies, melodramas, thrillers) and not heroic nationalistic war movies.

Lack of renewal was a first reason for the decline of the French film industry. World War I was a second reason. A third came in the form of a loss of confidence in the industry on the part of the majors themselves, first Pathé in 1918, later Gaumont in 1924. Charles Pathé's confidence in the profitability of cinema production had become eroded, and refusing all further financial risk, he sold off his entire industrial complex and limited his investment to distribution. Most crucially, he sold off his film stock factory to the American company Eastman Kodak. In so doing he effectively ransomed the future of France's cinematic industrial development and left it victim to the incursions of foreign technology, notably that of the Americans and the Germans. Further still, these two industries infiltrated the production and distribution lines as well, setting up their own production companies within the country and signing contracts with the established French companies. This is how, at least briefly, Gaumont sold out to the Americans. Teetering on the brink of insolvency, Gaumont merged with MGM in 1924. This relationship lasted until 1928, when Gaumont severed its alliance with MGM and set off on its own to develop its own sound system.

It is worth making the point that the French film industry was now on the receiving end of the practices that it had established in its own heyday of the 1900s and 1910s. Gaumont and Pathé had studios and distribution outlets all over the world, and in particular in the United States. So when Paramount and the German company Tobis set up their own production companies in France, they were only following good practice. And if the French majors had been more prepared to invest in new technology—namely, sound and color—in the crucial years of the 1910s, then the industry might have suffered less at the hands of its competitors. Gaumont had been experimenting with sound as early as 1902 and, in association with two Danish researchers, Poulsen and Peterson, finally perfected the process by 1928, by which time it was too late. In other words, for lack of early investment, Gaumont missed its big chance to be a pioneer, and by the time the company had refined its system, both the Americans and the Germans had their systems in place at a much cheaper price. Thus, although the first sound film projected in France, Marcel Vandal's *L'Eau du Nil* (1928), was actually on Gaumont equipment, sales for its system never took off.[1]

A similar story occurred for color film. France was experimenting with color in the early days—first hand painting (1890s), followed by hand stenciling (1903), then stencil tinting (1908, but still in use until the late 1920s)—most of which was first set in place by Pathé and imitated by other companies outside France. By late in the second decade of the twentieth century, any further experimentation in color became the province of the Americans (Kinemacolor, followed by Technicolor). Much later, in the early 1950s, France's film industry would lose out once again due to its failure to invest or lack of prescience. This time the technology in question was CinemaScope, a visual effect made possible by an anamorphic lens, which the Frenchman Henri Chrétien had designed and patented during World War I (to provide tanks with a periscope giving 180-degree vision). CinemaScope was used experimentally by Claude Autant-Lara in the late 1920s but not developed, and the rights to the system were eventually sold to the Americans in 1952 (Fox studios went on to produce the first color scope film, *The Robe,* in 1953).

The French film industry's lack of investment and forward thinking has not necessarily been a bad thing. In the stages in its history where the majors have been on the decline, independents have had the space to come aboard and produce from 50 percent to 90 percent of the home products. The key periods of success for the small independent companies are the second half of the 1930s, the late 1950s through the mid-1960s, and most of the 1980s and 1990s. In the 1930s and again the 1950s, the majors' decline was due to economic exigencies of varying orders (the Depression in the 1930s and conservative practices and expensive coproductions to counter the popularity of American products in the 1950s). By the 1980s, it was government legislation that, by breaking the cartel over distribution and exhibition, enabled the independents to find their place in significant numbers once again. At that time UGC, Parafrance, and Pathé-Gaumont monopolized the French film industry in these two important areas. The government, conscious that distribution in the hands of a few represents a danger to production, passed the decree in the belief that the industry is at its healthiest when an equitable balance permits the coexistence between majors and small- to medium-sized distributors. This in turn facilitates the fostering of independent production companies. Indeed, it might be fair to say that by the 1990s, majors and independent companies once again happily coexist. Gaumont is a prime example in its production practices of working with small independent producers to cofinance films. The filmmaker and independent producer Luc Besson is one of the great success stories Gaumont has to its credit. To date it has coproduced all Besson's films with the exception of his first (*Le Dernier combat,* 1983). In any event, if we consider these moments of independents flourishing, it is noteworthy that they coincide with the so-called *great* moments in France's cinema—either moments of revival for its industry or moments of cinematic creativity. These moments are the experimental and avant-garde cinema of the 1920s, the Poetic Realist movement (1935–39), the French New Wave (1958–62), the Cinéma du Look of the 1980s, and the Cinéma de banlieue and new independent cinema of the 1990s.

Economic uncertainty for the industry also means uncertainty for the studios. Their fluctuating fortunes have been dictated not just by the vagaries of economics but also by advances in technology and the effects of two world wars. In the early years, France's industry could boast nine studios, of which two were based in Nice, the rest in the Paris region. By the mid-1940s there were thirteen studios with forty sets. This number of sets rose to forty-nine by the mid-1950s but declined to nineteen by the beginning of the 1970s. Today there are only six studios remaining, all in the Paris region. The famous Victorines studios in Nice have finally closed, and attempts are being made to sell them (most probably to television companies). However, current investment in the studios themselves since the mid-1980s means there are around thirty sets now available. It should not be thought though that the periods of decline for the majors necessarily leads to a drop in studio use. With the exception of the New Wave, these periods have brought about a greater accessibility to studios rather than the reverse. The New Wave continued a practice of location shooting already in vogue in the 1950s by low- to medium-budget films because studio rental was at that time astronomically high due to the majors competing with the American market. Ironically, it was the practices introduced by the New Wave and the effects of the ongoing practice of location shooting that caused the closing down of numerous studios by the early 1970s.

The period of the 1950s was in some ways a watershed for the majors in France, albeit not in the same way as it was for Hollywood (i.e., the Supreme Court–Paramount antitrust ruling that broke the majors monopoly). The French film industry, post–World War II, was in a fairly parlous state not just as a result of restrictions, rationings, and scarcity of materials but also because after four years of virtual isolation as an occupied nation (during which American and British films were banned), France found itself flooded by American film products. The first wave of products were the now famous film noir movies. The second wave of products, starting in the early 1950s, were the color and CinemaScope movies (beginning with *The Robe,* 1953). To counter this perceived onslaught by the Americans, a number of strategies were adopted in an attempt to bolster the then enfee bled French film industry. First, in 1948, the French government repealed the Blum-Byrnes agreement of 1946. This essentially revoked a film quota system that had been too favorable to the Americans. The Blum-Byrnes agreement (signed between France and the United States) attempted to fix exhibition practices to protect the French industry from being swamped by American products. It was decreed that exhibitors must screen French-produced films for four weeks out of every thirteen. Effectively, however, this meant that the quota of French films to be screened was fixed at 31 percent, which gave the exhibitors ample chance to screen American products. This in turn meant revenue going to American production companies and not into the French film industry. In 1948, the government reinstituted the prewar import quota of American films (120 films) and increased the screen quota for French films to five weeks out of every thirteen (38 percent of all films screened had to be French-produced).

A second strategy, again state engendered, was the introduction of a special fund for the French film industry, the Fonds spécial d'aide temporaire. This first measure was swiftly developed into a piece of legislation called the *loi d'aide au cinéma* (1948). This was the first in a series of legislative measures instituted by successive governments to aid the industry. In this instance the *loi d'aide* enforced a tax levy (called *soutien automatique*) on all cinema ticket receipts; the tax money was to go directly into production. This system of state subsidy replaced the earlier wider-based usage of a prewar tax on box office receipts (then fixed at 20 percent to 25 percent of receipts and covering production, distribution, and exhibition practices) and was now called the Fonds de soutien. The success of this measure can be gauged at least numerically: By 1950 French receipts were once again above 50 percent (as they had been in prewar years), and France, that year, produced 107 films. This fund, which was renamed the Compte de soutien in 1986, still exists today, even though its resourcing has changed over the decades. Over the period of the 1950s, the levy on box office receipts was progressively raised from 35 percent to 48 percent, dropping to 23 percent in the mid-1960s, eventually to be replaced, in 1970, by value-added tax (VAT) (then fixed at 14.5 percent, currently fixed at a special rate of 5.5 percent). During the 1950s, the government imposed a further tax on those cinema theaters (some 80 percent) that received financial aid from the government. This tax, *taxe spéciale aditionnelle* (TSA), was set at 8 percent. It now stands at 12 percent. Presently, therefore, the Compte de soutien receives some 17 percent to 18 percent in levies from ticket sales. This is not the Compte's only source of revenue. As explained below, it also receives monies from three other important sources: direct state aid, television, and banks.

The third strategy, adopted this time by the industry itself in the 1950s to counter American dominance, was to embark on what turned out to be a twenty-five year program of coproductions. France's major coproducing partner was Italy. The two countries had a reciprocal arrangement (for every coproduction made in France, one was made in Italy). Overall, this was the least successful of the three strategies, for the following reasons. In the first instance, coproduced films cost on average twice as much as films that are entirely French. Even though it was hoped that by coproducing, investment in color scope technology would prove less crippling to the industry's economy, this was not to be. Production costs and union practices were part of the reason, but so too was the nature of the product. In this regard, three factors, at least, contributed to the expense: the pursuit of "prestige" films to rival the Americans, the use of star-studded casts, and the obligatory but contrived egalitarian alternating of one French product with one Italian. A second reason why coproductions were generally not successful is again financial. This time it was because the subsidy system, while it worked in their favor, was open to "abuse" at the same time as it depleted revenue for other homespun products. To explain the last point first, because investment in the promoting of coproductions is far greater than that for 100 percent French films (i.e., more money is fronted by virtue of the film's very expense), the tendency is for them to take more money at the box office than the purely French-made film. Until 1970 (when the taxation system shifted), the Fonds de soutien (as it was still known then) depended for a large part of its resources on a percentage levy of the box office receipts. Based on this initial round of receipts, a producer is entitled to an automatic loan *(soutien automatique)* for his or her new production or coproduction. In other words, money levied on receipts for a coproduction gets plowed back into yet another coproduction. And until 1967 (when a new decree legislated that for a film to receive this aid it must be at least 50 percent French-produced), any company, as long as it included a "French" company and the film's original version was French, was entitled to this subsidy. Coproductions chewed heavily into the coffers of the Fonds de soutien, leaving little for the homegrown products. But even after 1967, this system was still open to "abuse," by virtue of the definition of a French production company. Under European Community law, any multinational company that establishes subsidiary companies in a European Community country is deemed to be of that particular country. Thus an American subsidiary in France and its product will be seen as French. So a subsidiary film production company can lay claim to the same advantages from the Fonds de soutien as a French company. One finds the peculiar situation where an American-produced film, albeit made in France and produced through its French subsidiary and whose original version is in French, will be entitled to a subsidy from the state fund but a French film produced by a French company whose original version is in English will not be (Luc Besson has had several encounters of this order).

Coproductions diminished in the mid-1970s, primarily due to declining audiences in France and Italy, the two major countries involved in this practice. Presently, the financing of films is a complex affair of which direct state funding is but a small percentage. Financing also comes from a number of sources beyond national borders (i.e., Europe, Japan, and America), so cofinancing is perhaps a more appropriate term in this context. The number of films that are entirely French-financed has varied over the last two decades, but it has never hit the all-time lows it fell to during the long marriage of convenience with Italy, when at times coproductions ran as high as 62 percent of the year's production (as in 1969). Nowadays, on average, films that are entirely French-produced account for 60 percent to 70 percent of any particular year's production, and their most significant source of finance is television. Their contribution to the Compte de soutien is around 53 percent, and overall—through direct and indirect means—television funds 42 percent of them.

In order to give a clearer picture of how the industry functions, what follows is a more detailed explanation of the financing of the French film industry since 1946, the year the Centre national de la cinématographie (CNC) was established by the state as the overseeing body of the French film industry.

The way in which the CNC came about deserves a brief mention, since prior to its establishment no French government had been successful in putting in place an institutional framework that could rationalize and create a consolidated industrial organism that would preserve the film industry and guarantee its healthy survival. It was not until the German occupation of France in 1940 and the repressive hand of the Vichy government that the implementation of such a framework became possible. By a decree of November 2, 1940, the Comité d'organisation de l'industrie cinématographique (COIC) was created to rationalize the industry's disparate systems. This committee, which was put in place by the Germans, was in charge of six areas: the technical industry, the film producers, the film personnel, and the distributors, exporters, and exhibitors. And it was the COIC—an institution emanating from a repressive and undemocratic regime—that was instrumental in changing the face of the French film industry and that left a legacy that is still with it today in the form of the CNC (as it became renamed in 1946).

What of the CNC's remit? It is charged with maintaining control over the financing of films, the receipts from box office takings, and statistics pertaining to the totality of film practices (industry, audiences, etc.). The CNC is responsible for the management of the Compte de soutien. Money from this Compte goes out in two directions—to production and exhibition. Support for this fund where production is concerned takes two forms: the *soutien automatique* and the *avance sur recettes*. Briefly, since details have already been given, the *soutien* is a system of auto-financing from a compulsory levy on all box office receipts in France. Thus, paradoxically, it behooves the French film industry to welcome American blockbusters, since the levy placed on their exhibition profits French production. All French films and coproductions benefit from this subsidy, which is prorated according to the success of the film at the box office, the intention being that the subsidy serves to finance a subsequent film by the same producer(s). There are problems with this system, however, in that it tends to profit producers who are already established and is unlikely, therefore, to foster new, untried talent.

The second form of support, *avance sur recettes,* was instituted in 1960, partly as a measure to counter the above-mentioned problem and partly to counter the industry's financial crisis caused by a decline in audience numbers. This financing, which is still in place, is a selective one (benefiting 20 percent of the films made and representing 5 percent of investment in production). It deliberately targets films of quality and is attributed to a producer or filmmaker upon the successful acceptance, by a government-appointed commission, of her or his film script. In this respect, the *avance sur recettes* came at a fortuitous time. It allowed for a certain success, in terms of French film production, because its timing coincided with the emergent New Wave filmmakers, many of whose films were aided by this advance. This advance is not intended as a subsidy, since it is to be repaid. However, of the films that have benefited from this advance payment system, very few (about 10 percent) have repaid the loan either in full or in part. This situation is due mainly to the nonviability of the films at the box office, often because many films financed under this system are experimental or auteur.

During the 1980s and early 1990s, the Socialist governments were more proactive than any of their predecessors, both in terms of strategy and financing. On the financial front, there are two major developments to be singled out: a doubling of the *avance sur recettes* fund (in 1981) and the setting up of a tax shelter whereby private investors can set up a financial group (called SOFICA—société pour le financement du cinéma et de l'audiovisuel). This group can invest up to 25 percent of taxable revenue on an individual basis for film production or 50 percent as a collective for a minimum period of five years and receive a tax benefit. On average, SOFICA invest in thirty to forty films per year. As for the strategic front, again two measures need mentioning: the dissolution of the Pathé-Gaumont cartel, leaving space for independent producers and distributors, and, in an attempt to get audiences back into the film theaters, the financing of both popular and art cinema by the *avance sur recettes.*

If audiences have declined in France since the heyday audience figures of 400 million in the 1950s to around 132 million these days, it is because exhibition practices have been poor and, of course, because the leisure industry has grown and fragmented the consumer market. The impact of the television has been an important contributor to this decline, but again exhibition practices are in part to blame. From the early 1960s onward, there was a policy of concentration of cinemas in town and city centers. This urban centralization of cinemas ran in the face of sociodemographic trends, which, due to economic exigencies, saw the working class and young couples increasingly moving out into the suburbs and new townships. This significant drop in potential audience was not helped by a rise in the cost of tickets two- and later three-fold by the 1980s. Another poor strategy on the part of exhibitors was the creation of multiplexes within existing film theaters, creating small and uncomfortable seating spaces for audiences. The late 1990s is attempting to redress this policy by opening up multiscreen cinemas in the suburbs and in shopping mall precincts; however, the overall tendency is still for centralized film theaters.

Television certainly "stole" away audiences from the screens. But since the mid-1980s, when television was deregulated, it has become the single most important contributor to the French film industry. This has not particularly enhanced the Compte de soutien, however, since the drop in audience (by over 50 percent since the late 1950s) has meant that the revenue from the box office has diminished (almost in direct proportion to the increase in television funding through tax levies). The cost of making films in the industry has risen enormously, from an average in the mid-1980s of Fr 9 million to Fr 50 million, largely due to the attempt to produce attractive products that will compete with the American film products. But because television is such an important investor in film, there has been a big impact on the look and sound of cinema over the past ten years or so. Many films are overdetermined in favor of televisual rather than cinematographic practices. Thus considerations of pacing, sound track, and narrative are patterned around exigencies of broadcasting rather than screening. It is also true that film producers cynically produce turkeys because they know they will be bought up for television before long. Producers have a seller's market with French television because of film quotas imposed on television programming practices (50 percent of films broadcast must be French). And in this context, the practice begun in the mid-1980s of inflationary policies in distribution has greatly assisted television's market needs. By distributing a large number of prints to film theaters in Paris and provincial cities, a film soon grosses its potential revenue and thus shortens its life on the big screen. It is then "hived off" to video and television. The consequences of this are clear. If the life span of a film is curtailed in this way, the number of films has to go up. To meet demand, the French film industry would need to produce over two hundred films a year. However, it produces on average only one hundred films a year (mostly because of financial constraints but also because of actual production resource problems). And, because films on the distribution circuit have such a short life expectancy, they cannot hope to bring in the necessary revenue to help finance new projects. Thus, exhibitors turn to the American product to make up the huge shortfall.

The French film industry, for all that it complains of ill health, is nonetheless the only state-protected film industry in the West. It is in second place internationally after the United States (if we discount India, the world's biggest producer of films). It has successfully protected its home product from complete dominance by Hollywood (as most recently exemplified by its dramatic victory in the GATT agreements). The industry has benefited well from the various European Union (EU) strategic policies (i.e., EuroImages, Media I, and Media II programs) to enhance European film production. In terms of the future, it is moving increasingly toward a mixed global economy to support its products (a system called cofinancing). The newly renamed state film school (FEMIS) is training its future filmmaking generation to be *vertically integrated* as scriptwriters-producers-filmmakers. And for all that it is highly centralized through the state-funded regulatory body of the CNC; mavericks still manage to break through and shift boundaries of production practices both in mainstream and art cinema.

Note

1. Gaumont had been working on sound since 1902; however, due to a lack of investment since 1908, it became weaker in resources than the American and German magnates (Western Electric and Tobis Klangfilm) and found that refining the system was so costly that sales for its system never took off. Similarly, Pathé, who had been a big experimenter with color during the first decade of the twentieth century (stencil tinting), fell victim, by 1908, both to economic exigencies and its own refusal to invest. Experimentation in color became the province of the Americans, who perfected a color system as early as the 1920s.

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Germany

Marc Silberman

From the perspective of economics, the cinema is the movies, commodities that are produced, circulated, and watched within the context of consumer culture. To focus on the German movie industry as an economic institution demands, then, not in the first instance a discussion of those canonical German films that have enriched the world cinema or of innovative shooting styles that emerged in Germany; rather, we are concerned with the products of a national industry within the context of international competition and exchange. Market factors such as technological invention and patents, export-import relations, coproduction contracts, censorship, and quotas establish the context in which questions about national reputation and national interests can be formulated. In Germany the emergence of the movie industry assumed a special significance because it was perceived there as *the* paradigm of modern experience, playing an essential role in the mediation of culture during the society's growth as a major political and economic force. Both domestic production (a diverse spectrum ranging from cheap potboilers to art films) and foreign imports (prior to World War I from Scandinavia and France, in the 1920s from the United States and the Soviet Union) became, for example, the catalysts for wide-ranging discussions about the cinema's power to subvert traditional oppositions between high and low culture, art and commerce, urbanity and domesticity.

The Early German Movie Industry

As in other countries, the birth of the German cinema emerged from sophisticated technological know-how in the field of photography and was mainly associated with pioneering entrepreneurs, engineers, and technicians such as Ottomar Anschütz, the brothers Max and Emil Skladanowsky, Oskar Messter, Guido Seeber, and Karl Geyer. In other words the rapid growth of the early movie industry was outside the parameters of traditional cultural activity. Until about 1900, tax authorities considered movies—like the circus—as part of the show trade, while the mainly itinerant projectionists exhibited their wares as an entertaining attraction at fairgrounds and vaudeville houses. At first the "living pictures," usually three- to five-minute shorts consisting of only one, unedited shot, were integrated into these shows between the live acts, so that by 1900 there was hardly such an event without some kind of cinematographic interlude. After the turn of the century, this relation was reversed to the point where a series of short movies became the major attraction, while the acrobats and singers became the fillers. Also, new opportunities opened up as coffeehouses and bars in the inner cities and suburbs became important venues for the moving images. In 1905 such bars, cafes, and storefronts began to be transformed into fixed-site cinemas that became ever larger and more elegant so that by the early part of the second decade of the twentieth century, cinema palaces were being built with promenading lobbies, differentiated ticket pricing for orchestra, loge, and balcony sections, comfortable upholstered seats instead of hard benches, an orchestra pit for the musicians who provided the accompanying movie music, and doormen and ushers. Such elegance offered the finishing touch that responded to the expectations of a middle-class audience accustomed to evenings at the theater or opera.

If the boom in movie-house construction can be traced back in large part to the production of ever longer, edited narrative films lasting up to thirty minutes, its result was the growth and differentiation of the movie industry's separate sectors of production, distribution, and exhibition. In Germany the distribution companies, rather than the producers or exhibitors, became the key factor in constituting the movie market. In contrast, for example, to France (where the producers tended to distribute their own films) or the United States (where producer monopolies established networks that owned and distributed film copies), in Germany the many small, independent distributors gradually emerged after 1910 as the controlling force. Around the same time, the entire movie sector became increasingly professionalized: The first industry journals began to appear in 1907 *(Der Kinematograph)* and 1908 *(Lichtbild-Bühne)*; the first supra regional organizations were established in 1909 by distributors and exhibitors; daily and weekly newspapers began to include industry news and movie announcements in 1910; and in 1911 the first books on screenplay writing and movie actors appeared.[1]

While this growth encouraged the production side of the movie industry as well, the single most important development in this sector was the introduction of the long narrative film, the multi-reeler. This in turn was accompanied by technological and commercial advances, including improved cameras, production of positive film stock by the Agfa company in Wolfen (1910), the establishment in Berlin of the Geyer Lab for film development and copying (1911), and the building and expansion of movie studios with glass enclosures in Berlin and its suburbs (Tempelhof, Weissensee, Babelsberg). By 1911 long narrative films—those of 750 to 900 meters (forty-five to fifty minutes)—were being regularly produced in response to the popular reception of imported multi-reelers. This initiated momentous changes both for the movie industry and movie reception. Not only did movie production quickly shift from the manufacture phase of small-time fabrication to the rationalized industrial model of cooperative division of labor among producer, director, designer, actor, and musicians, but the number of studio employees burgeoned while the conditions of production improved as well. Moreover, the multi-reelers' emergence went hand in hand with a general boom in the movie industry. Audience interest in the longer, more complex stories led to a jump in the number of cinemas after a slump of several years; the number of distributors doubled between 1910 and 1913 to service the new exhibition needs; and within a year the number of production companies in Berlin grew from eleven to twenty-six for the expanding market of long films.[2] It is noteworthy that these were almost exclusively independent production facilities, no longer tied to companies that also produced or sold cameras and projectors.

From the consumer perspective, the introduction of the long narrative film almost wiped out short-film production for a time, and with it the documentary film.[3] Instead narrative continuity and psychological expression became dominant aesthetic criteria, and the industry standardized its product within a few years by implementing new aesthetic techniques such as camera movement, shot editing, image masking, dissolves, and so forth. Genre differentiation was another consequence of narrative refinements, and here national characteristics began to emerge in the second decade of the twentieth century, followed by international imitations. Germany's most original contribution in this respect were comedies (e.g., by Karl Valentin and Ernst Lubitsch), a genre that had little export chance, owing to the cultural references (Bavarian slapstick) and ethnic allusions (Jewish humor), but national inflections also marked borrowings from the French *film d'art* (the German *Autorenfilm*) and the *Fantomas* serial (Fritz Lang's early horror films), from British detective films (Joe May's *Joe Deebs* series), and from Danish social dramas that metamorphosed into German melodramas (e.g., by Franz Hofer). Ticket sales rose sharply with the introduction of long narrative films, almost doubling between 1910 and 1912, but other marketing factors also supported this kind of growth in audience interest. Serialization, for example, molded loyal audiences by means of variable plots with familiar characters and skillfully postponed narrative resolutions. Similarly, the introduction of movie stars and fandom had an important economic dimension. Asta Nielsen's Danish production of *Afgrunden* (1910) was the first film to be marketed in Germany specifically as a star vehicle and led quickly to strategies of block bookings based on star recognition and the construction of audience identification through an assortment of promotionals like postcards, magazine feature articles, and personal appearances.

Until 1914, then, the movie industry in general was internationally oriented. Only 10 percent to 20 percent of the movies screened in Germany were domestic productions, while the majority consisted of imports from France, Italy, Denmark, and the United States, and foreign colleagues found a friendly reception in the industry, especially those from Denmark (e.g., Urban Gad, Asta Nielsen, Stellan Rye, Ole Olsen, and Benjamin Christensen).[4] With the outbreak of World War I, in August 1914, this situation changed radically; indeed, one could argue that the war gave birth to the national movie industry in Germany. The two leading European producing nations, France and Italy, retreated from the playing field, and American companies quickly moved into the vacuum so that by 1916 they had become the international market leaders, a position that to this day has never been seriously challenged.

In Germany the outbreak of war led immediately to patriotic boycotts of French and British films, and by 1916 there was a general ban on movie imports, with the consequence that the expansive exhibition sector suddenly did not have enough material to screen (domestic production alone could not satisfy the home market). More importantly, the German state began to take an interest in movie production. As in most other countries, the recognition of the cinema as an instrument in psychological warfare and reconnaissance brought forth governmental and quasi-governmental agencies that produced propaganda, newsreels, recruitment films, and patriotic entertainment features. The German War Ministry in particular became more and more convinced that the domestic movie industry was not competing adequately with the propaganda turned out by other countries. As a result, it established in January 1917 the Bild-und-Filmamt (BUFA) to coordinate film production and distribution for the military, even training film crews and outfitting them with military rank. Parallel to these developments, private investors founded the Deutsche Lichtbild Gesellschaft (DLG) to produce advertising films for German heavy industry and the Deutsche Kolonial-Filmgesellschaft (DEUKO) to propagate the idea of German colonialism. Finally, in December 1917, military staff and industry leaders formed the Universum-Film Aktiengesellschaft (UFA), a corporate entity that drew its initial capital from secret government bonds, major banks, and heavy industry as well as three production companies with their distribution and exhibition arms. Aimed at guaranteeing a financially viable movie industry to serve both the public's entertainment needs and the government's information purposes, UFA was Germany's first fully integrated cinema corporation.

The Weimar Movie Industry

In 1918 the army capitulated, the monarchy collapsed, and the chaos of revolution overtook an exhausted Germany, ushering in a period of dramatic social and political change. While the ensuing power struggles and alliances between industrial, military, and bureaucratic elites represented a constant threat to the grounding of a stable democracy in the young Weimar Republic, the situation for the German movie industry was exceptionally advantageous for a number of reasons. First, it had survived the war with extensive production capacity, experienced directors, well-trained actors, and competent technicians. Second, UFA, which came under the control of the Deutsche Bank, was a completely integrated motion picture company, with production, studio, and laboratory facilities as well as a distribution apparatus and its own chain of cinemas.[5] Third, through government intervention during the war, movies had gained a new status among the cultural elite and had finally convinced the rather conservative German investors that it was a feasible economic risk. Fourth, the creeping inflation that turned into hyperinflation by 1923 protected the German market against imports from other countries, whereas German productions for the same economic reason became quite competitive on the international market. Finally, the end of state film censorship in 1918 led to an explosion of popular exploitation movies about sex, prostitution, and drugs. The upshot was once again a boom in new production companies and movie releases.

The Weimar cinema was thematically and stylistically eclectic. Historical dramas, sensationalist adventure films, pathos-ridden melodramas, hallucinatory and visionary narratives, psychologically laden chamber films, social dramas, detective stories, and military farces were all popular fare. The monumental historical films with their high-quality production values, exotic and spectacular sets, carefully detailed costumes, and casts of hundreds were especially important for establishing the domestic industry's reputation for craftsmanship and originality. UFA in particular excelled in this genre so that a feature like Ernst Lubitsch's *Madame Dubarry* (produced in 1919 and distributed in the United States under the title *Passion*) was able to break the war-induced boycott of German films in the United States and Europe. In fact, in the course of the 1920s, the German movie industry became one of the most—if not *the* most—important competitors of the Hollywood studios. It invested a lot of energy and creativity in penetrating the international market, including the expressionist art films that have entered film history as Germany's most original, avant-garde contribution to world cinema. Although this body of films consisted of only about forty features out of an average of over two hundred productions a year, it did represent something fundamentally new in the cinema: an explicitly conceived artistic product aimed against the dominant "Hollywood system." The American model of organic composition and continuity editing, with its insistence on glamour and optimism, encountered here formal strategies that disrupted organic unity, dissolved space into rhythmic structures, and constructed nonrealistic, nonmimetic images to describe psychological pathologies. In addition, improvements in lighting and camera technology (e.g., the "unchained" camera) offered new ways for highlighting the dynamic spatial relations and passionate emotions that characterized the expressionist films. Erich Pommer, one of the most important German movie producers of the Weimar period, in retrospect went so far as to claim that market calculations underlay these stylizations; that is, it was the German movie industry's competitive edge over the Hollywood Goliath.[6]

Hollywood was not only a set of film techniques; it was also a successful formula combining technology, management, craftsmanship, and entertainment that challenged dearly held prejudices in Germany about the relationship between commerce and art. Indeed, America's ascension to the leading economic power in response to the vacuum created by the European collapse after World War I became the single most important factor for the movie industry. At the same time, Hollywood studios were concerned both about German competition in its own backyard and in the European export territory. As a result, they sought to learn from the Germans by buying up some of its best talent with attractive salaries.[7] In response, UFA insisted until 1921 on the continuation of wartime import restrictions against foreign (i.e., American) films, and thereafter it consistently supported government negotiators in efforts to control imports through quotas and contingency rulings as a means to maintain the nationally competitive exhibition and distribution sectors. Yet, the Weimar movie industry was not a closed shop. Like Hollywood studios, it integrated personnel from around Europe.[8] In 1924 German studios cooperated also with other European producers in the short-lived "Film

Europe" initiative, an attempt to compete with American studios by bundling European resources in coproductions and shared financing schemes.[9] One should not forget that the average German market share was only about 50 percent of the films screened in domestic cinemas during this period. Beginning in 1921, the first American imports were being screened, and by 1925—the crucial turning point—German cinemas were flooded with American entertainment.[10]

In 1924 inflationary pressures accompanied by internal political tensions had brought Germany to the brink of collapse. To stabilize the situation and to protect its own export markets, the United States underwrote the Dawes Plan in December 1924, providing generous loan guarantees to prop up the reichsmark, and negotiated as well the Locarno Treaty in 1925, admitting Germany once again into the international community of nations. For the movie industry, the latter half of the 1920s was characterized by increasing centralization and monopolization in all sectors, including technological development, production, distribution, exhibition, and even marketing and reception through the press. By 1926 all the major production companies that had not yet fused or gone bankrupt entered into capitalization arrangements with American majors, hence formalizing their financial dependency and effectively neutralizing Germany as America's most important competitor in the international market. The best-known arrangement was the "Parufamet Agreement," signed in December 1925 between Paramount, MGM, and UFA; it provided the German company with urgently needed investment capital and the Hollywood giants with access to UFA's distribution network and cinema exhibition chain. This did not succeed in saving the company, however, and brought forth a rather typical counterreaction: In March 1927 publishing magnate Alfred Hugenberg bought out the contract and reorganized UFA with the help of politically conservative supporters, creating one of the world's largest media conglomerates with a pronounced nationalistic orientation. In the meantime the competition for investment capital began to influence film content and form. German movie producers, just like those in other European countries, faced the dilemma of how to compete with Hollywood without "Americanizing" their films and/or collaborating with the dominant partners on an uneven playing field.[11]

The commercial introduction of sound technology in the United States seemed to resolve the problem initially, for now German movies had to be produced *in German.* At last the German industry could abandon the illusion of producing for export to an imaginary American audience (Pommer's strategy for the artistically sophisticated expressionist films and UFA's large-scale productions in mid-decade) and concentrate on the domestic audience that seemed to prefer Hollywood fare in any case. Interestingly, German patents were crucial for the technological development of sound-on-film. Although various synchronization systems had been used as early as 1903 in the German cinema, after the war, engineers Hans Vogt and Joseph Massolle together with physicist Jo Engl began working on a light-sensitive sound system that was patented under their company name Tri-Ergon.[12] By 1925 the system was perfected to the point where feature production could have begun, but German producers and exhibitors feared the initial investment, while directors resisted what they perceived as a setback for the visual aesthetics of the silent cinema. Although UFA, as the major German studio, strongly supported sound-film experiments, the extreme cost overruns of Fritz Lang's *Metropolis* in 1926 ultimately led to the company's takeover by Hugenberg, who closed down the sound studio in his cost-cutting reorganization of 1927. In contrast to the small, undercapitalized Tri-Ergon company and the weakened UFA, in the United States the financially strong Western Electric together with Warner Bros. and Fox saw the "talkies" as a worthwhile risk and a novelty that could revitalize the sagging exhibition sector. Thus, while Warner Bros.' *The Jazz Singer* initiated the commercial sound-film era in the United States in October 1927, Germany lagged behind by about two years. In fact, by 1929 there were more sound than silent movies produced in the United States, whereas the first German feature-length sound production, Walter Ruttmann's Tobis release *Melodie der Welt* (Melody of the World, a music film without dialogue), did not open until March 1929. The first 100-percent German talkie (with music and dialogue) followed nine months later, Hanns Schwarz's UFA production *Melodie des Herzens* (Melody of the Heart, also circulated, however, in a silent version and in four other languages). The initial confusion among the various sound-film systems and their patent holders was settled domestically when the two major German companies, Tobis and Klangfilm, combined forces in 1929 and divided up between them the patents for projectors and cameras under the Tobis-Klangfilm system. One year later, German and American companies settled the international patent war with a "truce" signed in Paris that guaranteed the cartel-like control of "interest areas" through the exclusive use of their respective patents. By 1930, then, the German movie industry had survived the transition to sound film against the threat of complete American market domination and even emerged in a relatively strong position with a noticeable increase in distribution figures.

Consolidation of the Movie Industry in the Third Reich

The gains achieved through the introduction of movie sound were soon wiped out by the international market crash, which had reached Germany with full force by 1931. Feature-film production and ticket sales had both peaked already in 1927, dropping by 10 percent to 20 percent almost every year through 1933. The movie industry faced greater competition for spectators who had less and less discretionary income for their increasingly escapist fare. Under these circumstances, the general economic stability promised by the National Socialists with their takeover of power in March 1933 was not unwelcome, and the reforms in the movie sector proposed within a year by Adolf Hitler and his propaganda minister, Joseph Goebbels, who was responsible for administering all aspects of cultural activity, also did not meet with great opposition. These reform measures included the establishment of a semigovernmental bank institution (Filmkreditbank) to subsidize film financing, the creation of a state-controlled professional organization (Reichsfilmkammer) to which all movie industry employees had to apply for membership, and revision of the film censorship law to mandate "pre-censorship" of screenplays. Explaining his Enabling Act for usurping power in a speech on 23 March 1933, Hitler mentioned the need for a "vigorous moral sanitization" of German culture. "Sanitization" meant first the withdrawal from the German exhibition market of films that contradicted National-Socialist ideology.[13] Second, it led to the exclusion of virtually all individuals from the movie industry who were Jewish or identified with the political left. Third, it presumed a rigidly hierarchical institutional structure based on the principle of synchronizing all public activities through absolute control from above *(Gleichschaltung)*. Finally, it brought the official end of film criticism in favor of "film observation" (1936). Otherwise industry structure and production forms remained relatively untouched. Not only did the majority of the (non-Jewish) financial investors and managers remain in their positions, but Goebbels's offer of a form of cooperation through guaranteed state credits for movie production in return for political control of content also assured the continuance of a relatively autonomous, competitive market. Economic efficiency was not completely subordinated to ideological considerations, and this was nowhere more apparent than in the ongoing competition with Hollywood movies.[14] During the 1930s, the National Socialists controlled the best studio park and technical capacities in all of Europe, enabling them to compete with American developments in color technology and three-dimensionality. Indeed, the movie industry in the Third Reich remained one of the strongest European producers, with an annual average of ninety features as well as documentaries, shorts, and newsreels.

Goebbels's equation did not succeed, however, and economic problems arose that were a direct result of decisions motivated by political and ideological dictates. Not only did the production companies fail to fulfill his expectations of quality entertainment despite enormous subsidies provided by the state, but their already shaky financial stability further eroded. While ticket sales increased substantially after 1933, production costs grew much more quickly, and the loss of foreign markets for German feature-film export exacerbated the sinking profit margins. Moreover, the exclusion of qualified professionals for racial or political reasons drained the talent pool in the movie industry. Therefore, Goebbels quietly began to restructure the entire industry as a state-held vertical monopoly in 1937, a project he completed in 1942 when the UFI holding company, with major studios in Berlin, Vienna, Prague, and Munich, was formally established. Other factors contributed to the increasing concentration of the movie sector as well, not the least of which was the role of German military expansionism. The annexation of Austria in March and Silesia in October 1938 and the installation of a protectorate in Czechoslovakia in March 1939, as well as the occupations in Eastern and Western Europe (in Poland, France, Belgium, and Holland) after World War II began in September 1939, led to increased audiences and production capacities.[15] This resolved the serious problem of diminished exports, which had plagued the industry after 1933, by guaranteeing not only adequate distribution markets but also enormous profits that could cover the increasing production costs of prestige films. In addition, audience attendance was rising, owing as much to government campaigns to entice the public into the cinemas as to audience interest in newsreels about the war. By 1942, then, the state movie industry controlled the second largest film market in the world, and if the war had not destroyed so much studio capacity after 1943, it would have become a profitable source of state income and the only serious competition to Hollywood.

The Movie Industry in Postwar Germany

The unconditional surrender accepted by the German Military Command on May 7, 1945, summons the image of a clean break with the twelve years of fascist dictatorship. The initial Allied policy—agreed upon by Britain, France, the Soviet Union, and the United States—of dismantling the National-Socialist administrative apparatus and economic infrastructure was not meant so much as a punitive measure but rather as the first step in achieving that tabula rasa. Yet other realities—the Allies' economic interests in the rapid reestablishment of the German market and the ideological pressures of cold-war conflict—modified the original agenda. The recovery and reorganization of the German movie industry is prototypical for the relation of rupture and continuity prior to the economic miracle in West Germany and the introduction of a Socialist command economy in East Germany. Among the first orders issued in summer 1945 were guidelines that regulated the control of information production and transfer. Each occupation zone assumed responsibility for licensing the individuals permitted to work in the information sector and for censoring the content of materials in its respective area. The aim was to disassemble the centralized organizational structure of the Propaganda Ministry as well as to counteract the effect of twelve years of information manipulation. Film production, distribution, and exhibition fell under these general regulations, but because the Allied Control Commission deliberately discouraged a centralized movie industry, each zone developed its own policies and agencies to carry them out.[16] In the Western zones, where print media were considered the primary instruments for information dissemination and reeducation, the movie industry was reorganized largely under American direction for entertainment purposes and according to the economic priorities of the Hollywood studios and their marketing needs. In the Soviet zone, the cinema was regarded along with schools as the preferential means for reeducation, so Soviet authorities rapidly implemented measures to reorganize German movie production.

The first postwar German feature film opened on October 15, 1946, in the Soviet sector of Berlin. Wolfgang Staudte's *Die Mörder sind unter uns* (The Murderers Are among Us) was a production of the newly licensed Deutsche Film-AG (DEFA), a German company under Soviet supervision. During the next years, it consolidated its facilities (the former UFA studios, located in Babelsberg outside Berlin and confiscated by the Soviet army immediately after the war, were given over to DEFA) and expanded its production quota to twelve films by 1949. In the Soviet Zone and, after 1949, in the German Democratic Republic (GDR), this government-directed movie industry was never treated as a commercial enterprise but rather became part of the larger cultural sphere subordinated to the political and ideological priorities of the Socialist Party. Only after the Berlin Wall was erected and the borders closed to West Germany in August 1961 did party functionaries consider the situation stable enough internally to tolerate the kind of experimentation that the Polish New Wave or Soviet directors had implemented successfully after the de-Stalinization of 1956. Moves undertaken to decentralize administrative control of feature-film production resulted during the early 1960s in relatively autonomous, self-managed production groups within the DEFA studios. This concession to a more critical function for the cinema, however, proved to be a brief interlude when systemic economic disorder led to a crackdown in the cultural sphere. In December 1965 the party singled out the cinema as a scapegoat, and almost the entire year's production was either never completed or never distributed. Although the change in regime in 1971 and the ensuing détente with the West ushered in a relatively liberal phase of cultural activity, the DEFA studios proceeded with great caution after that harsh chastisement. In fact, by the mid-1970s, cinema attendance in East Germany was down two-thirds compared with 1950 and thus had followed the general trend in Europe, but the steady decrease tapered off, and despite the competition from television programming as well as from the West German media, audience erosion during the 1980s was under control.[17] When the GDR finally collapsed in 1989, DEFA had built a solid reputation for craftsmanship coupled with rather conservative aesthetic and political judgment.

If DEFA developed into a UFI-like vertical monopoly that enjoyed generous government funding and secure employment for those who were ideologically acceptable, the movie industry in the Western zones and, after 1949, in the Federal Republic of Germany was explicitly planned from the outset as a decentralized, commercial entertainment enterprise. Symptomatically, the first film produced in the West was Helmut Weiss's insipid marriage comedy *Sag die Wahrheit* (1946, Tell the Truth), based on a script that had been completed already in 1944 but that could be used without revision under the changed circumstances two years later. Slowly, small German production firms were licensed to produce movies for the domestic public, while other institutions supporting the movie industry—distributors, professional organizations, journals, censorship and tax boards, and so on—were formed. The currency reform in the Western zones in June 1948 not only signaled the beginning of a fragile stabilization but also transformed the conditions for movie production and distribution. The first to benefit were the film companies of the Western occupation powers. Once profits could be transferred into hard currency, the market again became attractive for amortizing their films, and American, British, and French movies flooded the West German cinemas.

During the 1950s the West German movie industry developed into a lucrative business with the aid of production guarantees from federal and local governmental agencies. The unprecedented success of the first postwar color film, *Schwarzwaldmädel* (1951, Black Forest Girl), with ticket sales of over sixteen million, pointed the way. The many small, undercapitalized production firms in West Germany had to differentiate their product in order to attract an audience. Unable to compete in the international export market, they withdrew to one of the few free spaces left, the *Heimat* film. An exclusively German cinema genre dominated by local landscape photography and conventional dramatic or humorous plots, it was little known outside Germany and Austria but remained nonetheless the most enduring and commercially successful, if not aesthetically interesting, cinematic fare emerging from West German studios.[18] By 1955, the peak postwar production year, one-third of the more than 120 productions consisted of *Heimat* features, and the genre accounted for nearly 25 percent of all releases during the 1950s. The economic indicators, however, signaled a downturn by the end of the decade. What had evolved as a distributor dominated industry during the 1950s experienced in 1961 the collapse of five major domestic distributors, leaving only three others—one fused with an American company—to service the market. Concurrently, cinemas were closing at an alarming rate, their numbers dropping by more than half between 1959 and 1971, and tickets sales slipped from a peak of 817 million in 1956 to 152 million in 1971. The industry proceeded on the path of least resistance, producing light entertainment and imitating successful foreign genres, with detective films, German Westerns, family features with popular local stars, and, later in the 1960s, soft pornography. Of course, similar tendencies were apparent in all European Common Market countries. The expansion of television programming in the course of the 1960s, coupled with changing consumer patterns (travel, car ownership, improved housing), led to more differentiated use of leisure time. Not only were movies no longer the favored form of entertainment, but the group most regularly frequenting them was shifting from the middle-aged to the younger so that the cinema was becoming a mainstay of youth culture. Unlike other European countries, however, West Germany had neither an independent cinema culture nor even the most rudimentary institutional facilities such as an academy for training young professionals, a cinematheque, a national cinema archive, or a serious journal of film criticism.

This vacuum became the opportunity for a "new wave" of directors to develop their vision of an artistically ambitious cinema supported by government loans dispersed on criteria of quality rather financial returns. New organizations representing the interests of this younger generation, community cinemas and local festivals that sponsored noncommercial films, and a cooperatively owned distributor specializing in young directors all contributed to the development of the "New German Cinema," which gained international visibility in the course of the 1970s as parallel but distinct from the commercial movie industry centered in Berlin and Munich. Indeed, by the end of the 1960s, the West German cinema had seen more directors' debuts than during all the previous postwar years, and as many as 50 percent of the feature films were being produced outside the commercial industry. While exclusive directorial control was a hallmark of this new wave, the single most important factor was the cooperation between independents and public television networks, to which the government allocated money for coproducing feature films.[19]

The two major West German television networks and the eight regional stations assumed a mediating role, acting as producer or distributor of feature films that would otherwise never have found a public. As government-funded but autonomous utilities with a commitment to public service, they furnished a forum in which filmmakers could engage contemporary social issues, explore historical events, and/or experiment with innovative aesthetic forms. Consequently, the unique situation of television funding in West Germany contributed to what became perhaps the most exciting and original national cinema of the 1970s. Yet, despite the boom of high-quality, prize-winning features during the 1970s, the New German Cinema was never a commercially viable industry nor was it ever able to develop a distribution network that could compete with the American multinationals in delivering its productions to the domestic German market. It may have accounted for as much as 80 percent of the country's annual production, but it drew only 4 to 10 percent of the box office receipts in the Federal Republic. After ten years of relative stability, the situation once again began to deteriorate, exacerbated by the introduction in the mid-1980s of new electronic media (video, commercial and cable television broadcasting, satellite reception, interactive computer games). Meanwhile, the funding clinch with public television and state subsidies was drawing the aging New German Cinema ever closer to a kind of state-sponsored stagnation, while the more successful among the independents gradually drifted into international coproductions supported by foreign (i.e., American) distributors.

By the end of the 1980s, the political changes in Germany were reconfiguring the terrain for the movie industry. Unification of East and West Germany in 1990 suddenly introduced new competitors (the large pool of talent from East Germany seeking state and television funding), an expanded television broadcasting system (new stations in the East), and a different public sphere. At the same time, the political agenda for European integration in the 1990s suggests that nationally oriented movie companies may be a thing of the past. The East German DEFA studios were privatized and bought up in 1992 by a French multinational with the intent of producing European film and television programming, while the negotiations on international free trade relations (GATT) in 1993 pitted the American communication and entertainment industries against a persistent European notion of cultural autonomy. In the 1990s the movie industry in the united Germany continues to produce sixty to seventy features annually, but about half of those launched sell fewer than twenty thousand tickets. Television and video marketing with domestic and international licensing are becoming important as delivery systems for German features, and not surprisingly, many movies look just like television entertainment or try to imitate international hits. The major German-produced box office successes in the 1990s have been comedies, and this has increased the German market share in the domestic market to record highs in recent years (as much as 30 percent in 1997). But humor is one of the most difficult commodities to export, especially German humor. Interestingly, ticket sales have been on the rise as well recently, but here too the explanation leads back to the dominance of American productions: Germany is the second largest export market for American box office hits after Japan, and from the American perspective, a healthy German movie industry is an asset, especially when the distribution channels are owned by the American majors. Thus, although the traditional cinema venues maintain their vigor, their fare is becoming an increasingly international commodity defined by American production values and professionalism and marketed by means of American distribution strategies, with the result that more and more spectators are seeing fewer and fewer movies.

Notes

1. For background on the beginnings of publications about the industry and movies, see Sabine Hake, "Early Beginnings in the Trade Press," in *The Cinema's 3rd Machine: Writing on Film in Germany 1907–1933* (Lincoln: University of Nebraska Press, 1993), 3–26.
2. Statistics in Corinna Müller, *Frühe deutsche Kinematographie: Formale, wirtschaftliche und kulturelle Entwicklungen* (Stuttgart: Metzler, 1994), 169. Unless otherwise indicated, statistics are from Hans Helmut Prinzler, *Chronik des deutschen Films, 1895–1994* (Stuttgart: Metzler, 1995). For an English-language summary of these developments, see Thomas Elsaesser, "Early German Cinema: A Second Life," in *A Second Life: German Cinema's First Decades*, ed. Thomas Elsaesser and Mathias Wedel (Amsterdam: University of Amsterdam Press, 1996), esp. 15–26.
3. On the introduction of the long film and its consequences in Germany, see Marc Silberman, "What Is German in the German Cinema?" *Film History* 8.3 (1996): 304–5.
4. On the difficulty of assessing such percentages, see Elsaesser and Wedel, 21 (esp. note 41).
5. UFA controlled about 25 percent of the domestic market in the years after the war:

for details see Klaus Kreimeier, *The UFA Story: A History of Germany's Greatest Film Company* (New York: Hill and Wang, 1996; original German edition, Munich: Hanser, 1992). This carefully researched study, although mainly focused on Germany's largest and most important movie studio, also examines the entire context of the movie industry from UFA's founding in 1917 until it was formally dissolved in 1953.

6. Pommer quoted in a 1962 interview in George Huaco, *Sociology of Film Art* (New York: Basic Books, 1965), 35–36. German films dominated the American import market in 1921 with successful runs for *Madame Dubarry, The Cabinet of Dr. Caligari* (Robert Wiene), *Anna Boleyn* (Ernst Lubitsch), and *The Golem* (Carl Boese and Paul Wegener).
7. Ernst Lubitsch was the first director "imported" to Hollywood in 1923, by Mary Pickford, for the Famous Players Company. Others who followed included directors such as F. W. Murnau, Paul Leni, E. A. Dupont, Ludwig Berger, Wilhelm Dieterle, Dmitri Buchowetzki, Paul Ludwig Stein, Lothar Mendes, and Berthold Viertel; stars such as Pola Negri, Emil Jannings, Conrad Veidt, Lya de Putti, Camilla Horn, and Vilma Banky; and producers such as Paul Davidson and Erich Pommer.
8. Non-Germans working in the Weimar movie industry included, for example, Carl Theodore Dreyer and Sven Gade from Scandinavia; Dmitri Buchowetzki, Alexis Granovsky, and Fedor Ozep from the Soviet Union; Fritz Lang and Georg Wilhelm Pabst from Austria; and Arzen von Czerépy and Béla Balász from Hungary.
9. On the "Film Europe" movement, see Kristin Thompson, "National or International Films? The European Debate During the 1920s," *Film History* 8.3 (1996): 281–96.
10. For statistics, see Kristin Thompson, *Exporting Entertainment: America in the World Film Market 1907–1934* (London: British Film Institute, 1985), esp. 111–28.
11. This is the thesis that guides Thomas J. Saunders's excellent investigation into the relationship between German and American studios in the Weimar period. See Saunders, *Hollywood in Berlin: American Cinema and Weimar Germany* (Berkeley: University of California Press, 1994).
12. For background on the introduction of sound cinema from a German perspective, see Harald Jossé, *Die Entstehung des Tonfilms: Beitrag zu einer faktenorientierten Mediengeschichtsschreibung* (Freiburg: Alber, 1984).
13. Between eighty and one hundred films from the Weimar period were censored within the first year of the Third Reich. See Kraft Wetzel and Peter Hagemann, *Zensur. Verbotene deutsche Filme 1933–1945* (Berlin: Volker Spiess, 1978), 44 (note 4).
14. On the challenge American movies presented throughout the Third Reich, see Eric Rentschler, "Hollywood Made in Germany: *Lucky Kids* (1936)," in *The Ministry of Illusion: Nazi Cinema and Its Afterlife* (Cambridge, Mass.: Harvard University Press, 1996), 99–122.
15. For background on the consequences of German occupation and export to "friendly" countries, see statistics and explanations provided by Boguslaw Drewniak, *Der deutsche Film, 1938–1945* (Düsseldorf: Droste, 1987).
16. For pertinent documents, see Johannes Hauser, *Neuaufbau der westdeutschen Filmwirtschaft, 1945–1955* (Pfaffenweiler: Centaurus Verlagsgesellschaft, 1989).
17. More stable audience figures were also attributable to the more liberal import policy

of Western European and American features in the 1980s. DEFA itself was producing between 50 to 60 movies per year, of which approximately 15 to 18 were cinema features (including 3 to 4 children's features); the remaining two-thirds were commissioned for television broadcast. GDR cinemas screened about 140 to 150 new releases each year so that DEFA productions made up only 10 percent to 15 percent of the total; features from other Socialist countries accounted for another 60 percent. Because of its geopolitical situation, the East German public enjoyed wide access to movies via television. In most parts of the country, households received not only two East German channels but three West German channels as well. As in the rest of Europe, television became the dominant leisure-time medium, and more importantly, movies were no longer understood to be primarily a vehicle for information, agitation, and propaganda, functions that television had taken over. See Lothar Bisky, "Trends of Film Culture in the GDR," in *Studies in GDR Culture and Society*, ed. Margy Gerber (Lanham: University Press of America, 1988), 37–45.

18. For details on the *Heimat* film genre and the success of *Schwarzwaldmädel* specifically, see Marc Silberman, *German Cinema: Texts in Context* (Detroit: Wayne State University Press, 1995), 114–27.
19. Between 1974 and 1979, DM 46 million were invested by the television networks in seventy-four coproductions. Besides coproductions, networks purchased completed features and subcontracted work for series. Especially during the 1970s, this put some television administrators into the position of executive producer. See Hans Günther Pflaum, "Innenansichten der Filmförderung," in *Abschied von Gestern: Bundesdeutscher Film der sechziger und siebziger Jahre*, ed. Hans-Peter Reichmann and Rudolf Worschech (Frankfurt: Deutsches Filmmuseum, 1991), 138–51.

14

Italy

Cristina Degli-Esposti Reinert

As early as October 1895 Filoteo Alberini introduced at the Florence Prefettura his own invention. He called it *Kinetografo Alberini.* In 1892 the German brothers Max and Emil Sladanowsky had already produced "live pictures," but the Lumière brothers, who could count on an already established industrial structure, preceded them in presenting their invention to the general public. Alberini, like the Sladanowsky brothers, was still in the pioneering phase, but his efforts helped establish viewing rooms in Florence and Rome, and subsequently in major Italian cities.

At this stage, films still constituted mere fair spectacle and pure wonder.[1] It was not until 1905 that Alberini and Dante Santoni developed a production company in Rome, the Primo Stabilimento Italiano di Manufattura di Pellicole per Cinematografi; the company changed its name the following year to Cines and produced *La presa di Roma* (The Fall of Rome), a fifteen-minute-long short shot by Alberini himself. This first experiment started a long series of historical films. From its outset, the Italian film industry presented a polycentric development that first touched Turin, Rome, Milan, and Naples and then spread to smaller enterprises in other centers, for example, Genoa, Venice, Pisa, and Palermo. Although the second group of enterprises had a short life, it testifies to the fact that the interest in producing films touched Italy throughout.

Among the first investors of the early Italian film industry were nobles and wealthy people, who did not necessarily see the cinema as a medium of social and cultural development but as a form of investment. The industry appeared as an unsophisticated family-run enterprise, then it tried to emulate the characteristics of the other European film industries. Substantial developments occurred between 1904 and 1908, when the first great production companies started to operate, for example, Ambrosio in Turin and Cines in Rome. In 1907 Itala Film was founded in Turin by Giovanni Pastrone and remained in existence until 1919, when it became part of the Unione Cinematografica Italiana (UCI). The company produced *Cabiria* and the "Maciste" series, beginning with *Maciste* (1915). Together with the increasing private investments these companies brought the newly born industry to a level that could complete with the French, American, English, German, and Danish film industries.

In the same year, Cines opened a branch in New York, and two years later, the company was present in almost all the European capitals. Its objective was to revisit Italian history, especially the time of Imperial Rome, and to spread art and culture. The historical costume drama seemed to best represent the past and/or the memory of it. During these years, cinema was characterized by theatrical-like performances, magniloquent narration, and opulent mise-en-scène. With their literary rhetoric, these films condensed the great myths and the facts of history in ten- to fifteen-minute-long representations that would appeal to the less sophisticated section of the public. Although initially these films were meant for the general public, they were actually viewed by the middle class; the presence of the proletarian class was extremely rare.

Booklets with a bulletinlike format, which soon after expanded to a journal format, were taking care of film advertising. One of the early and most interesting journals was *Lux,* founded in 1908 by Gustavo Lombardo, one of the first entrepreneurs. Conceived at the beginning to satisfy advertising intents, the journal soon began to include essays concerning the new visual alphabetization of the cinema and its educational and cultural possibilities.

During the first two decades of the newly born seventh art, the Italian film industry grew slowly, without any significant funding. This trend started an order of things that would always see a predictable relation between investments and the final filmic product. It also appeared to reflect the fact that since its early years, Italian cinema privileged an artistic production that would appeal to a general public over a commercial production solely geared toward pure entertainment. More interested in the cultural appeal of the final product than in its economic result, as was the case of the American production system, Italian producers seemed to consider the film industry a sort of artisanlike adventure that at a closer look was following the country centuries-long tradition of craftsmanship. It should be noted that the artisan cultural tradition also formed the very basis of the phenomenon of Italian industrialization in other areas, such as that of the automobile and textile industries, for instance. Able to count on low-cost labor, the early Italian film industry faced the often hard-to-solve task of placing technology and the cultural, artistic quality of the filmic work in a balanced perspective in order to achieve success domestically and abroad.

Notwithstanding its artisan traditions, Italy, during the 1910s, developed a true film industry on the level of the French and the Americans. The fifteen-minute historical films soon developed into longer stories, for example, the ninety-minute *Quo Vadis?* (1913) by Enrico Guazzoni. Some documentaries of the Roman time were also produced, but it was the fictionalization of that period that became a genre in its own right and would remain so until World War II. During this period the major production houses could count on the contribution of the most renown literates—Giovanni Verga, Salvatore Di Giacomo, Guido Gozzano, and Gabriele D'Annunzio—to bring filmic products to the same cultural level enjoyed by theater and opera.

With the overwhelming predominance of historical films such as Pastrone's *Cabiria* (1914), there was also a demand for films adapted from literary or theatrical sources that dealt with more modern subjects, for example, Luigi Maggi's *Nozze d'oro* (1911, Golden Wedding) and Mario Camerini's *Ma l'amore mio non muore* (1913, Yet My Love Does Not Die). In these films the mundane tone underlined the social penchant for sentimental, naturalistic stories, such as those of Gustavo Serena's *Assunta Spina* (1915) and Febo Mari's *Cenere* (1916, Hash), in which Eleonora Duse played her only cinematic role.

In 1914 and 1915 the technological revolution of films such as *Quo Vadis?*, *Marcantonio e Cleopatra* (1913, Anthony and Cleopatra) and *Giulio Cesare* (1914, Julius Caesar), Enrico Vidali's *Spartacus* (1914), Arrigo Frusta's *Otello* (1913, Othello), Gallone's *Gli ultimi giorni di Pompei* (1926, The Last Days of Pompeii), and *Cabiria* had taken the journey of moving images to a higher level of production and helped Italian cinema to excel on an international level. Yet by 1915 a few production houses started to close, and the economy of the industry began a slow deterioration. With a financial crisis in effect, Italian cinema nonetheless managed to culturally dominate all international markets and to help develop the interest in the new medium of the cinema throughout the world. But the lack of serious and constant financial concerns would prove, in the following decade, to be unwise and would cause a major crisis. The effort to move in a different direction was interrupted by World War I, when the crisis of the national economy greatly influenced the film industry, whose products could not now compete with the American market. Facing a crisis, Italy opened up its market to American films.

In 1919, with an initial fund of 30 million lire, later increased to 75 million, three banks—Banca Commerciale Italiana, Banca Italiana di Sconto, and Credito delle Venezie—helped bring about UCI. It was hoped that UCI would strengthen the industry. In fact it proved to be a determining factor in keeping the industry together between 1919 and 1945. Some 1,750 films were produced during that period, but in general, their quality was by far inferior to that of the early films or that of the neorealist films that reshaped the industry right after World War II.

Under UCI, Cines, Caesar, and Pasquali producers formed a trust, with the intent of tackling the problems concerning the massive invasion of American films. Production rested on approximately two hundred titles, but this amount was not sufficient when American products flooded the market, resulting in an ever increasing loss of foreign markets for the Italian industry and a subsequent crisis that slowly brought about an erosion of creativity. By 1921, with the bankruptcy of the Banca Italiana di Sconto, the situation had become critical. A handful of titles was not enough to sustain UCI, and it experienced financial disaster in 1923.

In the 1920s the Italian Film industry relied on formulas that had been successful in the past but found little favor without the new spectatorship, which preferred the dynamism of American cinema, or even the avant-garde European cinema. In 1922 the Fascist regime came to power and established a censorship system that forced the film industry to follow the ideology of the government. The political changes, the postwar economic crisis, and the higher cost of production did not, however, discourage those who had been involved with the world of the cinema from remaining in contact with the productive filmic system. The influence of such people helped the film industry survive through the stagnating conditions of 1922, postponing the rethinking of an industry that the Fascist regime would later help reconstruct and use as a political tool for propaganda.

In 1924 the institution of L'Unione Cinematografica Educativa (LUCE), the political cinema of the Fascist period, produced documentaries and *cinegiornali luce* (the luce newsreels), which in 1926 became mandatory and, basically, served the propaganda needs of the regime. While LUCE, which was meant to be a newsreel and film archive, was given substantial financial support by the government, the general commercial production of films received no assistance.[2] It survived thanks to the interest of Stefano Pittalunga, who three years later revived UCI and helped the slow reconstruction of the film industry by raising funds from private sources. While Gustavo Lombardo production took the name of Titanus in 1928, the same name it bears today, in 1930 Pittalunga had reestablished Cines production, which lasted until 1936.[3] Later, when Cines declared bankruptcy, it was revived by the Italian government. Unfortunately, Pittalunga died soon after the advent of sound—whose arrival promoted a renewed interest in the cinema and a rebirth of national cinemas in general. The beginning of the sound era and a 1931 government law promoting the cinema helped Pittalunga's work by pushing the industry in a direction that encouraged more involvement with the production system.

At the end of the decade, the increasing erosion of funds gradually led the industry to yet another critical period. Apart from a lack of funding, there were other reasons for the financial decline of the film industry in the early 1930s. The increase of production costs, the short supply of technological apparatus, competition from the Hollywood cinema, and the diminishing distribution of Italian films abroad created a very difficult situation. Successful films of the decade included Alessandro Blasetti's *1860* (1934) and Augusto Genina's *Lo squadrone bianco* (1936, The White Squadron), films that continued the tradition of the historical-epic film, and, earlier in the decade, Mario Camerini's *Gli uomini che mascalzoni* (1932, What Rascals Men Are), which launched a new actor, Vittorio De Sica, and presented an array of social problems disguised by the veil of light comedy.

Along with these lighter films, Italian producers began making films with happy endings. Such films led to the *telefoni bianchi* (white telephones) genre, referred to as such because every interior had a white telephone, giving a refined aura to the mise-en-scène and to the story. In the case of Goffredo Alessandrini's *La segretaria privata* (1931, The Private Secretary) and *Quattro ragazze sognano* (1941, Four Girls Dream), *telefoni bianchi* films provided a light distraction from the more severe problems connected with the political and social reality of the time. When the commercial cinema of the 1920s changed into the "cinema of quality" of the 1930s, the economic improvement signaled the highest socializing power of the filmic image, combining the thematic and iconic repertoire of the Italian way of making films with other styles that tried to reproduce American genres, such as the light-screwball comedy.

The Direzione Generale per la Cinematografia became active in 1934. In 1935 the Centro Sperimentale di Cinematografia was founded. It soon became a flourishing center and remains open today. Its cultural channels, represented by a film school (the first one in Italy), a film library, and a cinemateque, revolved around directors and scriptwriters Giuseppe De Santis, Luigi Zampa, and Cesare Zavattini, who eventually became an active antifascist and a predominant figure of realism. The film production of the following five years developed thanks in large part to the help of the Istituto per la Ricostruzione Nazionale (IRI).[4]

Luigi Freddi's attempt to put together a production structure comparable to that of Hollywood became a reality in 1937 with the inauguration of Cinecittà, situated about eight miles from Rome. Cinecittà's immediate success was augmented by the closing of the market to American products in 1938. Carmine Gallone's *Scipione l'africano* (1937, Scipio the African), the first film to come out of the newly born state film industry, centered, of course, on propaganda. With the implementation of a law in 1936, the Fascist government, which saw cinema as a "weapon of the regime," was able to invest money in Cinecittà. Alfredo Bini—who produced in 1960 and 1961 Pier Paolo Pasolini's film *Accattone* and *Il Vangelo secondo Matteo* (The Gospel According to St. Matthew)—has suggested that the cyclic crisis of the Italian film industry is a result of the 1938 law, which is still in effect, though without the state financial support. He has recognized that the cyclic phenomenon has recurred relatively recently and has considered it more a financial problem than a lack of creativity.[5]

In 1942 exactly 119 films were released, but film production fell drastically after 1943, when Mussolini was ousted. Luchino Visconti's *Ossessione* (1942) adapted James Cain's hard-boiled American novel *The Postman Always Rings Twice* (1934). Giorgio Franciolini's *Fari nella nebbia* (1942, Headlights in the Fog) and Vittorio De Sica's *I bambini ci guardano* (1942, Children Are Watching Us) presented a clear break with the *telefoni bianchi* genre of Italian Fascist cinema and the historical-allegorical style of Blasetti's films; they depicted a condition of desperation that crucially contrasted Fascist rhetoric.

While the Associazione Nazionale Industrie Cinematografiche e Affini (ANICA) was constituted in July 1944, at the beginning of 1945 a temporary Cinema Committee began operation. One of the first problems addressed was the demand for Hollywood films, which had been restricted by Fascist laws, especially the 1938 Alfini law, which had prevented the Hollywood film industry from invading the Italian market. From 1945 to 1946, Italnoleggio, Istituto Luce, and Cinecittà were the production companies that under the protection of the Ente Gestione per il Cinema sustained and defended the film industry.

After World War II, the condition of the film industry worsened. Most movie theaters had been destroyed during the war years, and it became necessary to shoot on location, in the places where things had happened or were happening. The situation required a great deal of improvisation and an inexpensive means of producing low-budget films, including the use of outdoor areas and nonprofessional actors who were recruited from the streets and placed side by side with film or theater actors.[6] The outcome was an experimental documentaristic look unmediated by the fictional elements of studio production. Films, such as Roberto Rossellini's *Roma città aperta* (1945, Rome, Open City) and *Paisà* (1946, Paisan), Aldo Vergano's *Il sole sorge* *ancora* (1946, The Sun Rises Again), and Vittorio De Sica's *Sciuscià* (1946, Shoeshine), reflected the hardship of the time. When released, these films had little or no success in Italy. The Italian audience preferred escapist films, and production companies—such as Titanus, Enic, and some private entrepreneurs—began to meet the popular demand.

Although Cinecittà could not offer much after the inactivity of the war years, in 1945 the industry slowly started to function again, thanks to a few directors who decided to use the natural settings of city streets and landscapes to tell their own stories, drawn from their experiences of the war. Still untouched by the plans of reconstruction, Italy itself proved to be the best film set. In the next five years, these neorealist films would be followed by other important films whose political importance and cultural legacy is still strong in Italian cinema today. Totally on its own, the industry came alive again. By 1946 the number of films produced reached sixty-two, slowly increasing in the following years (in 1950 there were one hundred), until the economic boom some fifteen years later. Profits from national films in 1946 were only at 13 percent, but by the end of 1950s, they reached 34 percent.

Titanus, founded in 1928 by Gustavo Lombardo and now directed by his son Goffredo, was very active in the late 1940s. ENIC, a state department that dealt with film production and distribution, was founded in 1935 and survived until 1957. Peppino Amato produced several comic films starring Totò that are still popular today. Istituto Luce produced and distributed films that were met with favor by the public: Giuseppe De Santis's *Riso amaro* (1949, Bitter Rice), Pietro Germi's *In nome della legge* (1949, In the Name of the Law), and *Il cammino della speranza* (1950, The Way to Hope). During these years, two young producers, Carlo Ponti and Dino De Laurentis, were beginning their film careers. Yet, around 1949, neorealist directors became aware that the reality surrounding them was changing. Documenting it was no longer enough. Also, few neorealist films were very successful in terms of the domestic box office, and the predominance of American films had stimulated a major crisis. The passage of the Andreotti Law attempted to stimulate the domestic industry by taxing imported films and mandating the screening of Italian films. The government became openly hostile to the negative images of Italy supposedly perpetrated by neorealist films, and the film industry again came under state control.

The end of the 1950s marked a sense of renewal in the cinema, with the success of "cinema d'autore," "comedy Italian style," "spaghetti Westerns," "the *peplum,*" and "the sexy style."[7] With directors such as Vittorio De Sica, Luchino Visconti, Michelangelo Antonioni, Federico Fellini, Pier Paolo Pasolini, Elio Petri, Bernardo Bertolucci, Gillo Pontecorvo, Francesco Rosi, and Marco Ferreri, the "cinema d'autore" soon became a cultural phenomenon, something to be exported. The great success in the 1960s, first domestic then international, of De Sica's *La ciociara* (Two Women), Luigi Comencini's *Tutti a casa,* (Everybody Goes Home), and Visconti's *Rocco e i suoi fratelli* (Rocco and His Brothers) made producers consider a new pattern of production and distribution—that is, the marketing of a controlled number of films whose artistic quality would ensure huge box office revenues. Possibly this trend was helped by the increasing influence of cineclubs—fictionalized in Ettore Scola's *C'eravamo tanto amati* (1976, We All Loved Each Other So Much)—which suggested that the cultural intentions of neorealist production be continued.[8]

Since the end of World War I, Italian producers such as Riccardo Gualino, Gustavo Lombardo, Angelo Rizzoli, Dino De Laurentis, and Carlo Ponti had maintained a decentralized system of production, reminiscent of the film industry of the early decades. This system of production changed in the 1960s. Italnoleggio, for instance, was constituted by means of a 1966 law that identified it as a major film distributor. In the following decade it merged with Istituto Luce. Aided by a series of regulating laws, Italian film production increased in the 1960s.

Throughout the early 1960s, the production houses expanded to the point that between 1965 and 1970, there were four hundred of them. During those years and well into the 1970s, a great number of adventure films were produced. The *pepla* continued the old tradition of the historical-epic genre, and the "spaghetti Westerns" explored the possibility of a new adventure journey. Combining high-quality craftsmanship and technology as well as relatively low costs, the *peplum* and "spaghetti Western" became very popular both domestically and abroad. In the domestic market, Italian films took in much more money than American films, possibly because in the 1960s and 1970s national film production benefited from advance payments from the societies of distribution.

In these years the Italian film industry experienced significant commercial success. But in the 1970s it became impossible to talk about the movie industry without talking about its relation to television. Since 1968 television had started to take an active part in the production and coproduction of films. State-owned television joined Italnoleggio in the process of making films. This teamwork would, in the long run, bring about a slow decline in the movie industry at all levels. Looking at the phenomenon more closely, the relationship between cinema production and television production has been rather tight since the early 1970s. A distinction between film production methods should be made. There are three kinds of productions that stem from the relationship between cinema and television: first, a regular feature film destined for movie houses but produced by TV, such as Ermanno Olmi's *L'albero degli zoccoli* (1978, The Tree of the Wooden Clogs) and Francesco Rosi's *Cristo si è fermato a Eboli* (1978, Christ Stopped at Eboli); second, a film produced and meant for TV programming, such as the TV series *Ulisse* (Ulysses) in the early 1960s, *Sandokan* in the 1970s, and *Gesù* (Jesus) in the 1980s; and third, a film geared for TV audiences but with the narrative structure and the duration of a regular feature film and shot with a low budget in 16-mm instead of 35-mm film, such as Bernardo Bertolucci's *La strategia del ragno* (1972, The Spider's Stratagem), the Taviani brothers' *Padre padrone* (1977, Father Master) and *Allosànfan* (1974), and Federico Fellini's *I clowns* (1970, The Clowns) and *Prova d'orchestra* (1979, Orchestra Rehearsal).

Euro International was very active in the 1970s, producing films such as Magni's *Nell'anno del signore* (1970, In the Year of Our Lord) and Elio Petri's *Indagine di un cittadino al di sopra di ogni sospetto* (1970, Investigation on a Citizen above Suspicion), as well as foreign films. In 1977 the industry faced a crisis of transition. A major cause can be attributed to the increasing power of television and above all to the private networks, which would often broadcast as many as five films a day per channel. During this decade, films of little artistic value and success were made exclusively to meet the demand of movie houses. Another issue that became rather problematic in this period and still continues today was the expansion and invasion of America cinema in Italy, as well as in Europe.

In the first part of the 1980s, film production exhausted the models and the genres of the previous decades. By the end of the 1980s, new innovative approaches to filming seemed to please both the public and the critics. In trying to establish a more fruitful relationship with spectators, directors of this generation opposed the farce-like and often vulgar spectacle of the comedy Italian style, which by now had degenerated into a rather odious thematic repetitiveness often verging on mere soft-core porn exhibitions. These directors were interested in looking back to the tradition of neorealism and to those directors who had maintained a cinema of commitment, although at times with mannerisms of their own.[9] In the 1980s, RAI and FININVEST (the union of the major private TV networks) replaced the old distributors and financed films and indirectly modified the final product, which resulted in more televisual that filmic material. From the mid-1980s, television also enabled young directors, such as Maurizio Nichetti and Gabriele Salvatores, to make their first film.

Among the group of the production companies that started to operate in the last decade and have helped shape the characteristics of recent Italian cinema are Colorado Film Production (founded in 1986 by producer Maurizio Totti, director Gabriele Salvatores, and actor Diego Abatantuono) and Sacher Film (founded by Angelo Barbagallo and director Nanni Moretti). Sacher Film, which has displayed more independence and personality, also runs a movie theater in Rome. Together these two firms have produced many of the films that established a change in direction for the Italian cinema of the late 1980s and early 1990s.

As of 1996 there were some 170 active production societies, including those that have produced at least three successful films. Some are carrying on the work started in the early decades of the industry, as in the case of Goffredo Lombardi's Titanus (from founder Gustavo Lombardi) and the Angelo Rizzoli Group (headed by the nephew of founder Angelo Rizzoli, who produced some of the Blasetti films in the 1930s). Some have started in the years of the economic boom, such as the Mario and Vittorio Cecchi-Gori Group, which began in 1957 and is among the most important production companies today, owning over fifty movie theaters; since 1988 it has also operated in Los Angeles in connection with Penta America, the old Penta Pictures. Over the years the Cecchi-Gori Group has produced relevant films such as Salvatores' *Turnè* (1989) and his Best Foreign Film Academy Award winner, *Mediterraneo* (1991); Fellini's *La voce della luna* (1990, The Voice of the Moon); Ettore Scola's *Il viaggio di Capitan Fracassa* (1990, The Travel of Captain Fracassa); Carlo Mazzacurati's *Il toro* (1994, The Bull) and *Vesna va veloce* (1996, Vesna Goes Fast); Michelangelo Antonioni and Wim Wenders's *Al di là delle nuvole* (1995, Beyond the Clouds); and Leonardo Pieraccioni's *I laureati* (1995, The Graduates).

All these groups and companies, big and small, work to keep the film industry alive. Their work is commendable. In the era of television where film marketing, even more than before, is not carefully prepared by distributing companies, they have established a place of their own. As film producing firms they have also learned to compromise with television and have been inspired by its style in many different manners. As explained by Pierre Sorlin, television has influenced the Italian filmmakers of this generation in four ways: "the pre-eminence of words over images, the insistence on close-ups, the choice of bright colors, and the adoption of a reportage style of shooting."[10]

The number of movie houses and the size of the film audience in the 1990s is about a fifth of the houses and audiences of the 1960s and 1970s. National production represents during this decade a shift of about 12–30 percent of the total Italian market. The reduction of films produced reflects the reduction of investments, leaving the average cost of a film at 2.5 billion lire, a sum considerably below the regular cost of a foreign Hollywood production. Television—especially the commercial, private TV channels—has been the highest source of income for film production and still continues to be.

In large part responsible for the emptying of movie houses, television has also given substantial financial support (from money raised through advertising on private TV channels and also from RAI's annual fees) to the film industry. Creating a new market, home video expanded the consumption of domestic films in the 1980s but has undergone a considerable slowing down since 1994. Television coproduction as well as computer technology appear to be fundamental components of and for the cinema of tomorrow. In fact, compromise and teamwork in film production may be necessary to keep the Italian film industry alive.

Notes

1. Gian Piero Brunetta, *Cent'anni di cinema italiano,* vol. 1 (Bari: Laterza, 1991, 1995), 16.
2. Today LUCE maintains close contacts with the Cinecittà studios; in fact, it is housed in the Cinecittà lot, and they are both financed by the same holding company, Ente Autonomo Gestione Cinema.
3. The first Cines was founded on April 1, 1906, and lasted until 1924. In 1930, Pittalunga revived Cines, and it lasted until 1936. A third Cines was founded in 1940. Officially active in 1941, it moved to Venice during the period of the Republic of Salò until 1945.
4. See Marcia Landy, *Fascism in Film. The Italian Commercial Cinema, 1931–1943* (Princeton: Princeton University Press, 1986), 13–14.
5. Alfredo Bini, Position Statement, in *La biennale, Manoscritti Veneziani n.1,* proceedings of the Venice Biennale, September 1–3, 1979 (Venice: Edizioni "La biennale di Venezia," 1980), 76.
6. For an overview of the neorealist period, see Peter Bondanella, *Italian Cinema: From Neorealism to the Present* (New York: Ungar, 1983), 31–102; and Millicent Marcus, *Italian Film in the Light of Neorealism* (Princeton: Princeton University Press, 1986), 23–20.
7. Bondanella, 160–61.
8. Brunetta, *Storia del cinema italiano, 1945–1982,* vol. 2, (Rome: Riuniti, 1982), 565–79.
9. See Cristina Degli-Esposti, "Recent Italian Cinema: *Maniera* and Cinematic Theft," *Canadian Journal of Italian Studies,* no. 20 (1997): 19–36.
10. Pierre Sorlin, *Italian National Cinema, 1896–1996* (London: Routledge, 1996), 150.

15

Great Britain

Andrew Higson

British cinema celebrated its centenary in 1996—but it would be difficult to see that date as the centenary of a film industry in Britain. While films have certainly been produced and exhibited in this country for more than a hundred years, there was no film industry as such in the 1890s. Or if there was, it was a very small, fragmented cottage-style industry. It was only over the next decade that an identifiable economy organized around the relatively systematic and large-scale production, marketing, and consumption of films emerged in Britain.

Film production initially was the activity of inventors, entrepreneurs and amateurs, and showmen who saw in moving pictures a new gimmick to attract audiences. These pioneers were among the most dynamic and creative filmmakers in the world in the years up to about 1905, but few of them had the business skills of an Edison or a Lumière. In this same period, films were shown widely, but generally in the context of other entertainment—at fairgrounds, in music halls, at scientific or educational demonstrations, by magic lanternists, and so on. It was not until the late 1900s that the first dedicated cinemas appeared, and some time after that before they were organized into chains. By the early 1910s, it is certainly meaningful to talk of a film industry in Britain, by which stage economic activity had begun to separate into distinct production, distribution, and exhibition sectors. But where the latter two sectors were relatively well organized and adequately financed, production remained piecemeal and underfunded.[1]

If we jump ahead a hundred years, we find a similar set of circumstances prevailing. On the one hand, we can note similarly well-organized and amply funded distribution and exhibition sectors, and a weak, fragmentary production sector constantly seeking sufficient finances. On the other hand, it is actually quite difficult to identify these activities as comprising a distinctively British film industry. For a start, the most powerful distributors and the majority of films showing on British screens are *American*—as they have been since the mid-1910s. Further, the marketing and consumption of films is now better understood as part of the global leisure and entertainment industries rather than as a distinct economic activity. Film production too is closely bound up with other media industries, and especially the television industry. Few British films are made today, and even fewer without some television industry involvement.[2]

If at either end of this century of cinema in Britain it is difficult to identify a specifically British film industry, in the intervening years a vibrant and extensive film business can certainly be identified. The British film market, measured in terms of cinemas, seats, and box office admissions, was one of the strongest in the world. British filmmakers were consistently energetic and productive, supported by a network of major corporations and independent studios and producers. At the same time, as will become clear, production was undoubtedly the most insecure and chronically underfunded sector of the film industry.[3]

By the late 1920s, two major vertically integrated corporations had emerged, bringing together production, distribution, and exhibition interests under one business. British International Pictures (BIP), relaunched as Associated British Picture Corporation (ABPC), owned the Elstree studios and the ABC chain of cinemas. Gaumont-British controlled the Shepherds Bush studios and the Gainsborough studios at Islington, as well the Provincial chain of cinemas. By the mid-1930s, Gaumont-British had overstretched itself and ran into financial difficulties. Most of its commercial interests and its place in the hierarchy of the British film industry were taken over by Rank. By the turn of the decade, Rank controlled two new studio complexes at Pinewood and Denham, as well as the Odeon chain of cinemas. ABPC and Rank now owned the two largest and most important national cinema chains, their own distribution companies, and the cream of the country's production facilities.

The duopoly—the domination of the British film economy by two large combines—more or less prevailed until the end of the first hundred years of cinema in Britain. The only significant change was that gradually from the 1950s onward, as audience figures fell, the two major combines pulled back from production, leaving this high-risk activity to relatively small independent companies. Of course, there were other crucial developments over this period, but overall, the shape of the industry remained more or less the same.

To reduce the history of the British film industry to such an account would, however, be to overlook a great many significant factors that have played a crucial role in shaping that industry and determining its fate. Perhaps the most important factor has been the cultural and economic presence of American cinema. It is tempting to call this the lure of Hollywood, except that the glamour of the name "Hollywood" masks a much wider industrial machine and a series of economic strategies that have enabled the American cinema to control so much of the international film industry. As we have already noted, the overseas distribution arms of the American majors have effectively controlled the British distribution market since the mid-1910s, latterly in collaboration with the British vertically integrated corporations. As a result, the most heavily publicized and the most consistently profitable films in Britain have been American films.

This is not to say that British films have never been successful at the box office, nor that all American films have been. On the contrary, many British films have been successful, and, with certain studios or genres, quite consistently so. Gainsborough Pictures, for instance, was set up as an independent production company in the 1920s and had a run of successful films under Michael Balcon. By the end of the decade, it was absorbed by Gaumont-British, and later still, it became part of the Rank empire. In each case, it produced a steady stream of genre films that met with considerable box office success, especially the costume dramas of the 1940s, such as *The Wicked Lady* (1945).[4] But British film production has never been as extensive, as well organized, or as substantially funded as Hollywood studio production; as a consequence, the scope of box office success has never been on the scale of American films.

Another closely related factor shaping the British film industry has been the relative size of the American and British markets. While the British film market has been since the 1920s one of the largest and best organized in the world, it is still nothing like as large or as profitable as the American market. In 1925, for instance, while there were four thousand cinemas in Britain, there were twenty thousand in the United States.[5] The size of Hollywood's market has been such that it is possible for very expensive films to cover their costs in that market alone. Exports then provide profit. Since costs have been covered back home, American distributors have been able to charge exhibitors in export markets much lower rental fees than domestic producers can afford. The amount of money that could be spent on marketing has also been considerably greater. Such arrangements have clearly been very appealing to most British exhibitors, whose primary concern has been to make a profit by filling seats in their cinemas, not to show British films. In any case, through the 1910s and 1920s, the American distributors were able to maintain their hold over British companies through the practices of blind and block booking. Hence it is possible partially to explain the success of American films in the British market in purely economic terms.

The market available to British producers is, of course, quite different.

Large though the British domestic market is, it has never been large enough to cover the costs of very expensive films. Most production has therefore been restricted to modestly budgeted films, which cannot always match the glamour and market appeal of Hollywood's best. Producers with more extravagant ambitions, of course, had to rely on export markets even to cover costs, in a way that Hollywood producers never had to.

Even so, it would be unreasonable to attempt to explain the success of American films in Britain in purely economic terms, or in terms of marketing hype. Audiences have to enjoy the films if they are to be successful: As commodities, they have to be desirable. It is certainly possible to argue that the narrative energy, the performative skill, the romantic engagement, the stylistic simplicity, and the veneer of glamour that marks so many Hollywood films ensures that they are indeed highly desirable products. Add to that the fact that so many of these films tell stories of people achieving the goals they set themselves, in the context of the apparently most dynamic, enterprising, and socially open of modern nations. No wonder then that such films appeal to the ordinary people of Britain, a nation so evidently bound by class, custom, and cultural capital. There is also, of course, the small question of a shared language.

One of the major problems for British producers has been to win over audiences attuned to the attractions of the well-made Hollywood film. Either "British" films had to be made in the Hollywood style—but budgets could rarely match the Hollywood norm—or films had to be more modestly budgeted and built around recognizably indigenous cultural traditions and performers with already well-established extra-cinematic audiences. Hence the strong tradition of working-class comedy, for instance, drawing on British music hall traditions (the films of Gracie Fields and George Formby), or radio (The Crazy Gang), or latterly television (the various 1970s spin-offs from television sitcoms); or the tradition of the quality adaptation of canonic English literature, populated with actors from the respectable British theater (from the various Shakespeare and Dickens adaptations of the early 1910s, through Olivier's *Henry V* [1945] and Lean's *Great Expectations* [1946], to the Merchant-Ivory adaptations of E. M. Forster's *A Room with a View* [1986] and *Howards End* [1992]). The problem, of course, was not simply of winning over audiences but of securing distribution and exhibition contracts in an industry that had grown accustomed to generating profits by handling American films.

For producers, this situation led to the creation of parallel economic strategies or production policies. On the one hand, there was the expensive "international" film, with pretensions toward Hollywood-style production values, and Hollywood-style American releases, and often sporting imported minor American stars (most of Alexander Korda's London Films productions of the 1930s fall into this category). On the other hand, there was the relatively low-budget and often self-consciously inexportable indigenous genre film made primarily for the domestic market (most of the working-class comedies, for instance). To some extent, these production strategies can be correlated with different branches of the British film production sector. Thus, it has tended—though by no means exclusively—to be the vertically integrated majors who have attempted to produce international films for export. Gaumont-British, for instance, attempted to break into the American market with a series of expensive musicals and thrillers in the 1930s; Rank tried the same in the mid-1940s, as did both the majors in the 1970s. On the other hand, it is smaller independent companies like Butcher's and Merton Park who have specialized in low-budget genre production for the domestic market.

Given that the major exhibition circuits, and thus the most profitable cinema bookings, have been owned and controlled by the vertically integrated corporations, independent producers and distributors have still found themselves dependent on these corporations. It is possible then to characterize the history of the British film industry in terms of a series of allegiances and tensions. The vertically integrated majors have traditionally allied themselves with the main American distributors, even to the extent of preferring American films over British films made by the corporation's own studios. At the level of distribution and exhibition, independent producers have tended to have quite different interests from those of the major corporations, British or American. They have also tended to appeal to British audiences on different grounds. Thus, while the circuit booking policies of the British majors have been organized primarily around the screening of American films, independent producers have constantly struggled to raise sufficient budgets and to capture and maintain British audiences.

It is undoubtedly the case that for the various reasons already outlined, the British film production sector has historically been the weakest sector of the industry. Since 1910, the greater proportion of film industry capital and entrepreneurial energy has been invested in the more profitable and less risky exhibition sector. Film production by contrast has remained chronically underfunded and insecure, subject to dramatic changes in its fortunes, and constantly racked by economic crisis. Numerous British studios and production companies have emerged over the years, many of them in and around London, and almost as many have disappeared. But nothing as systematic, as extensive, or as long lasting as the Hollywood studio system has ever been established. On the one hand, this has meant that independent companies have potentially had more room to maneuver. On the other hand, the fragmentary state of British film production has meant that it has never enjoyed the economies of scale that Hollywood could achieve through its extensive and efficient production schedules and its established studio resources. Nor has it enjoyed the relatively secure and substantial level of funding over long periods of time that the major American studios experienced.

Over the years, the economic strength and the market domination of the two vertically integrated British majors has inevitably led to accusations of monopoly control or, more properly, duopolistic control. It has been argued that such control kills competition and enterprise and, especially, limits the activities of smaller, independent production, distribution, and exhibition companies. This then leads to a narrowing of the cultural field of British cinema, since the majors prefer to support and to circulate formulaic production that has been proven in the marketplace. Some argue that the cultural diversity that might be promoted by a vibrant independent sector is, thus, stifled before it becomes established. Others argue that a quality cinema with self-consciously artistic pretensions has not been allowed to flourish. Yet others argue that a strong and recognizably British cinema has not been able to emerge because of the duopoly's commitment to the distribution of American films. There is an economic side to this argument too: that the limits placed on British film production by the majors have equally limited the development of a sizable, appropriately skilled, and fully employed British workforce.

Of course, things have never been that simple. The duopolistic control of the majors has never been monolithic, and there has always been room for a limited amount of independent activity. And when innovations have found favor with audiences—*Saturday Night and Sunday Morning* (1960) and the other New Wave "kitchen sink" dramas of the early 1960s, for instance—then the duopoly has been keen to take them on board. British film production, and the range of films in distribution in Britain at any one time, may not be as diverse, or as "British," as some cultural commentators would like. It would, however, be misleading to assume that there has not been a rich variety of British films made over the years, articulating a diverse range of cultural identities. It would also be misleading to assume that "formulaic" American fare has produced a stultifying mass culture consumed by an unthinking mass audience. On the contrary, American cinema has become a vibrant part of British popular culture, its resources mobilized in countless ways and for countless reasons by the "mass audience." The idea of the mass audience, or the national audience, is itself, of course, highly problematic, since audiences in Britain as elsewhere are clearly differentiated by class, gender, sexuality, race, ethnicity, region, age, taste, and so on.

This, of course, raises profound questions about the idea of a national cinema in Britain. Are we to understand national cinema in terms of films, or in terms of audiences and tastes? Does Britain's national cinema consist of those films produced and financed in Britain, and made with primarily British personnel? Or does it consist of those (American) films around which so much cinema-going in this country has been organized—films that have become an almost indelible and certainly pervasive, dynamic, and influential feature of British popular culture?

Neither the film industry nor the state—nor indeed large sections of the cinema-going public—has been prepared to surrender the title of national cinema to the American film industry. From the foregoing, it is possible to identify three relatively distinct economic policies adopted by the industry in response to the American cinema's control of the British market: collusion with Hollywood, competition in the international marketplace, and product differentiation in the domestic marketplace. These policies have rarely been developed for purely patriotic reasons: Increased profitability for British companies has always been at least as prominent a goal. Indeed, the first policy involves the entirely unpatriotic collusion of British exhibitors and American distributors to exploit the British market in a joint enterprise: the practice, already noted, of British companies circulating American films. This joint enterprise extends to British companies at various times encouraging American majors to buy shares in their outfits.

The second identifiable policy is designed to challenge American market supremacy through direct competition: the production of Hollywood-style international films by the larger British companies. As we have already noted, this has tended to be restricted to the activities of vertically integrated corporations. Ironically, such companies could invest profits gained from the distribution and exhibition of American films in expensive productions designed to break into the American market. Ideally, the end result is a strong, well-capitalized, and tightly controlled national film economy. But, of course, the buoyancy of that national economy depends on competition with Hollywood in the international arena, and more or less on Hollywood's terms, and collusion in the domestic market to exploit the box office potential of American films. Either way, British companies were forced to operate more or less on Hollywood's terms—and those terms rarely extended to offering full American distribution for British films. The freak success in the American market of Korda's *The Private Life of Henry VIII* (1933), for instance, was precisely that: an exceptional case (that benefited in particular from Korda's ties with United Artists).

The third strategic response to American market domination is the more self-consciously patriotic one of product differentiation: the effort to produce a distinctively British cinema by drawing on indigenous cultural traditions and identities. Given the problem of the relative smallness of the domestic market, and its correlation with budgetary considerations, film companies operating this strategy have often specialized in catering for niche audiences, such as the regional working-class audience or the art house market. Such areas are, for good reason, generally considered of marginal interest—that is, of marginal profitability—by the American majors.

These three economic policies—collusion, competition, and product differentiation—respond to the problem of American market control as a national problem. Yet the problem is really on an international scale. Hollywood's domination of most aspects of the global film industry is not confined to individual nation-states and is founded on its control of both its own vast domestic market and of numerous overseas markets. A fourth response to that control has involved attempts to create similar economies of scale via international cooperation. On two occasions British companies have been involved in concerted efforts to construct a pan-European response to Hollywood: first in the late 1920s, as the silent period came to a close, as part of what was known in some quarters as "Film Europe," and more recently in the 1980s and 1990s as part of the efforts to create a common audio-visual policy for the European Union. Coproductions between companies from different nation-states enable higher-budget filmmaking, and an extension of the potential audience by casting actors who have star appeal in different markets. Reciprocal distribution deals in effect create a larger "home" market by combining two or more national distribution and exhibition chains. But where a shared language has made it so easy for the American film industry to exploit the British market, the language barriers between different European countries have hampered this sort of pan-national cooperation

The four strategies outlined above are examples of the British film industry's efforts to regulate its own activities, to ensure reasonable levels of profitability, and to resist relinquishing the domestic market altogether to American interests. There has, of course, been a further level of regulation of the industry—by the state seeking to circumscribe the activities of the industry in various important ways. This regulation has taken both ideological and economic forms and has been actively enforced throughout almost the whole of the history of British cinema. Audiences and exhibition spaces and times have been controlled through safety regulations and the like, especially in the form of an act of Parliament introduced in 1909. Film content and audience access to it has been controlled through various censorship regulations, although the official body, the British Board of Film Censors (now the British Board of Film Classification), was actually set up by the industry. During the two world wars, film was incorporated into an effective, fairly extensive and centrally controlled propaganda machine. In the late 1920s and 1930s, John Grierson and his collaborators established the British documentary film movement under the auspices of state organizations like the Empire Marketing Board and the General Post Office. Over the years, various government sponsored reports have investigated the monopolistic power of the two majors, though they have done little to curb their excesses.

For the purposes of this survey of the film industry, probably the most important instances of state intervention in the film business are the various quota regulations and measures for funding film production. Together, these have been designed to protect British producers from American competition and to foster indigenous filmmaking. As such, they play an important role in determining the parameters and possibilities of the British film industry.

A quota regulating the proportion of foreign films in distribution and exhibition in Britain was introduced in 1927. In the mid-1920s, it was estimated that 95 percent of the films in circulation in Britain were American, and the production sector was in danger of extinction. Public debate inside and outside the film industry focused on the likely effects such a situation would have not only on the British film economy but also on the more general consumption of commodities, since it was felt, in the phrase of the period, that "trade follows the film." The fear was that consumers would be increasingly drawn to the American commodities on display in Hollywood films, and that British producers would lose out. More poignantly, American popular culture in the guise of the movies was seen as a major threat to what was assumed to be the "national culture." On the strength of such arguments, the government's free trade policy was set aside and protectionist measures were introduced. Initially these measures were on a minimal scale, designed to ensure that the proportion of British films showing at the cinema did not fall below 5 percent. This figure was to rise to 20 percent over the next decade.

The year 1927 was, thus, a key year in the development of the British film industry, since it was also in this year that BIP and Gaumont-British, the first two major corporations, were created by combining interests across all three sectors of the industry. The promise of protectionist measures for production undoubtedly generated confidence in the industry and in the finance markets and enabled company executives for the first time to plan successfully on a grand scale. Even so, the scale of capitalization and of industrial concentration was minimal compared to developments in the American film industry almost a decade earlier. The quota regulations also undoubtedly had a significant impact on the production sector, creating an initial boom that was soon stifled by the increased costs involved in the conversion to sound, which was thrust upon the industry just a couple of years later. Even so, the number of British films in circulation was soon markedly greater than had been the situation in the mid-1920s.

The 1927 Cinematograph Act was, however, almost entirely framed in simple economic terms. The quota regulations were designed to encourage the exhibition of British films, but there was no quality control as to what constituted an acceptable British film. As a result, one of the most notorious effects of the act was the emergence of what were called "quota quickies." These were cheaply and hurriedly made British films financed, commissioned, or bought by American distributors in order to meet their quota requirements (each distributor had to have a minimum proportion of British films on its books). Quota quickies were extremely detrimental to the reputation of British cinema, though they did provide an important training ground for British production teams. It is clear too that some of these low-budget films have been unfairly neglected (and worse) by critics and historians, and that a good proportion of them found favor with their target audiences.[6] Some of the worst excesses of the initial quota regulations were ironed out when the act was renewed in 1938 (the quota regulations remained in place, with various revisions, until 1983). These acts clearly had some impact on British film production, but the major American companies found ways around the regulations, sponsoring the quickies, and setting up their own production companies in Britain. In the end, the acts had only a limited effect on the profit margins of American distributors active in the British film market.

In the late 1940s, the government again tried to limit American imports, with an abortive 75 percent *ad valorem* tax. More long lasting were the first efforts to provide funding for British film production. There were two key developments. First, the National Film Finance Corporation was set up in 1949, providing a small but vital funding cushion to a great many productions that might otherwise not have seen the light of day, up until the scheme was dismantled in 1985 (it was replaced by British Screen, a private enterprise; significantly, two of its four backers were television companies). The second development was the introduction in 1951 of the Eady Levy on box office admissions. This measure was designed to ensure that a small proportion of the income from the sale of cinema tickets went back to the most eligible producers. Once again, American companies found ways of exploiting this measure, and by the 1970s, British-made but American-controlled films like *Star Wars* and *Superman* were benefiting from the Eady Levy.

The shape, ownership, and control of the industries dealing with cinema in Britain in the 1980s and 1990s is quite different from the duopolistic situation prevailing in earlier decades. Those involved in the exhibition of films have had to cope with a dramatic falloff in cinema audiences from an all-time high of 1,635 million admissions in 1946 to a low of 58.4 million in 1984. This has been compensated for by the exploitation of new markets in video, terrestrial television, cable, and satellite, and by the development of multiplexes. The rise of the multiplex has recaptured some of the lost cinema-going audiences, with admissions increasing steadily to 135 million in 1998. At the same time, the emergence of new American-owned multiplex circuits has finally broken the duopolistic control of exhibition

The majority of films in distribution and the most powerful distributors remain the American majors. The British majors gradually withdrew from routine production from the 1950s onward (with the occasional short-lived attempt to reenter the fray). They also diversified into other leisure and entertainment interests. ABPC, for instance, was bought up by the electrical goods and music company EMI in 1969, who were then taken over by Thorn, another electrical goods company. By 1986, the film arm of the company had been sold to the multinational Cannon, who concentrated solely on the exhibition circuit. This was subsequently taken over by MGM-Pathé, and then in 1995 sold to the entertainment and leisure group Virgin.

British film production became increasingly dependent on American finance in the 1950s and especially in the 1960s. When the American majors pulled out of overseas production in the early 1970s, the implications for British producers were dire. Routine genre production was gradually phased out over the next few years so that by the 1980s, very few films were being made in Britain—not more than forty or fifty each year, although more recently the figure has been much higher. Most of these films are one-off packages produced by small independent companies; many of them have some sort of tie-in with one or other of the British terrestrial television companies; and an increasing number are multinational coproductions. While some producers, such as David Puttnam and Steve Woolley, have made solidly budgeted films aimed at the mainstream international market, a good proportion of recent British films have been conceived with a specialist or niche audience in mind and have benefited from some form of state subsidy or protection. Thus, the heritage film is geared toward art houses and the quality end of the major circuits, as are auteur films such as the work of Peter Greenaway or Derek Jarman, while films like *Trainspotting* (1996) have become cult films with the youth audience. The runaway international success of *Four Weddings and a Funeral* (1994) and one or two other British films of the 1990s hardly heralds a new dawn. It is more appropriate to see such films as akin to *The Private Life of Henry VIII*—exceptional cases. Budgets for most recent British films tend to be tiny in comparison with those for American blockbusters. And indeed, it can almost be guaranteed that any British film with more than a very modest budget has received some degree of American financing.

The ideal version of a national cinema is perhaps an entirely self-sufficient cultural and economic entity, financed by local capital, staffed by an entirely native workforce using locally produced technology, and expressing pure national identities and indigenous cultural traditions. As the foregoing account should have made abundantly clear, that ideal is far from having existed in Britain—and surely it has never existed in any country. Cinema has, from the very outset, been a thoroughly international phenomenon, and developments in this sphere, whether economic, political, or cultural, have almost invariably had an international dimension to them. Whether framed in terms of resistance to or collusion with Hollywood, or some other "significant other," such developments must by necessity be understood in terms of the international flow of capital, commodities, and cultures. Seepage occurs even across the most heavily policed borders. Even protectionist policies, designed to shelter "national" activities from this uneven international flow, are by nature internationalist measures, since they are premised on the idea that without the measures in place, the domestic market would be overwhelmed by foreign competitors. What we call "national cinema" is always a complex amalgam of often competing local, national, and international forces. What we call British cinema, or the British film industry, is equally complex, hybrid and in flux, and as dependent on foreign policy and international market aspirations as it is on indigenous cultural traditions and identities.

The category of the national is always an ideological and political construction, founded on a more or less consensual arrangement of activities; at the same time, by promoting certain activities, others must remain marginalized or forbidden. It is this play of allegiances and exclusions that must be taken into account when attempting to delineate a national cinema. These allegiances and exclusions work both internally, between different sectors of the film business, for instance, and externally, between the film industries and the political and economic strategies of different nation-states, for instance. In the case of British cinema and the British film industry, those allegiances and exclusions, those instances of collaboration and resistance, must be understood above all in terms of relations with Hollywood and the American film industry. From the 1910s to the present, as we have seen, it is almost impossible to talk about the British film industry, or about cinema in Britain, without invoking Hollywood. It is the economic and cultural presence of American cinema in the international market that has, above all else, shaped the destiny of those involved in the film business in Britain.

Notes

1. See Michael Chanan, "The Emergence of an Industry," in *British Cinema History*, ed. James Curran and Vincent Porter (London: Weidenfield and Nicholson, 1983), 39–58.
2. The best source of information on the British film industry in the 1980s and 1990s is the annual *BFI Film and Television Handbook* (London: British Film Institute).
3. Good surveys of the British film industry can be found in James Curran and Vincent Porter, eds., *British Cinema History* (London: Weidenfield and Nicholson, 1983); Margaret Dickinson and Sarah Street, *Cinema and State: The Film Industry and the British Government, 1927–84* (London: British Film Institute, 1985); Charles Barr, ed., *All Our Yesterdays: 90 Years of British Cinema* (London: British Film Institute, 1986); and Sarah Street, *British National Cinema* (London: Routledge, 1997). Many of the arguments developed in this chapter are explored in more detail in Andrew Higson, *Waving the Flag: Constructing a National Cinema in Britain* (Oxford: Oxford University Press, 1995).
4. See Pam Cook, ed., *Gainsborough Pictures* (London: Cassell, 1998).
5. Dickinson and Street, 10.
6. See Lawrence Napper, "A Despicable Tradition? Quota Quickies in the 1930s," in *The British Cinema Book*, ed. Robert Murphy (London: British Film Institute, 1997), 37–47.

16

Sweden

Leif Furhammar

(Translated by Bjorn Book-Larsson)

In 1897, two years after its original invention, modern cinematography premiered in Sweden. The French film pioneers Louis and Auguste Lumière sent their photographer Alexandre Promio to promote the *cinématographe* at the International Industrial Exhibition in Stockholm. Promio showcased films previously created in France by the Lumières and also took the opportunity to shoot films with distinctly Swedish motifs. On the grand opening of the exhibition, he documented the arrival of King Oscar II and the royal family. It was a part of the marketing scheme for the new technology to film rulers and powerful individuals in order to excite them about the new medium.

During his visit, Promio took on Ernest Florman, a Swedish royal court photographer, as a motion picture photography apprentice. When Promio departed after just a few weeks, Florman assumed the duties of filming the events at the exhibition and running the cinematographic theater Kinematografen i Gamla Stockholm. He thereby became the first Swedish cinematographer.

During the following years, Florman created several short documentaries. In the very beginning of the twentieth century, he experimented with synchronized film sound by letting artists lip sync to their own phonographic recordings.

The first ten years of Swedish film history consisted primarily of imported material. Western and southern Sweden experienced the fastest growing number of motion picture theaters, primarily due to the proximity of central European and British film industries. Eventually, a smaller scale domestic production industry sprang up in association with the larger cities' movie theaters.

AB Svenska Bio in the southern city of Kristianstad proved to be the most prominent and most rapidly expanding of the budding film studios. Its board hired Charles Magnusson, who already had significant film experience in Gothenburg, to head the productions. In 1909 the creation of small, original

Swedish feature films got underway in the studio, using stories that for the most part were based on scenes from well-known Swedish plays.

In 1911 Svenska Bio outgrew its modest surroundings, and Magnusson decided to move his production base to a newly built studio in the capital, Stockholm. Three young individuals of strong dramatic arts background—George af Klercker, Victor Sjöström, and Mauritz Stiller—were hired as film directors. Even though Svenska Bio operated the largest and most profitable theater chain in the country, the creation of the Crystal Palace film studio in Stockholm promised some serious economic risk taking. In order to secure financial stability, Magnusson sought an alliance with his strongest competitor—the French film studio Pathé Frères.

The arrangement turned out to be advantageous to Magnusson. Svenska Bio gained access to two important enhancements to its operation: Pathé's international distribution network and French film making know-how. In the spring of 1912 Victor Sjöström and Charles Magnusson traveled to Paris, where they studied the factory-like process by which Pathé Frères' films were created. By late summer, French director Paul Garbagni traveled to Sweden, where he taught the three young directors the art of directing quality motion pictures.

During the studio's first two years, Sjöström, Stiller, and Klercker created films for both Pathé Frères and Svenska Bio. It appears that of the three directors, Pathé Frères clearly favored Klercker. The Swedish head of Pathé Frères, Siegmund Popert, also had a fair amount of control over the Swedish studio, until the latter part of 1913.

This friendly relationship deteriorated as the political and economic advantages for Svenska Bio slowly began to vanish. French control over the international film industry weakened, and the Danes appeared to be a more favorable partner. By the end of 1913, the alliance between the two studios turned actively hostile. Magnusson chose to simply break the alliance and bar Pathé Frères and its employees from the Stockholm studio. Klercker decided to depart with the French and possibly spent some time studying film at Pathé Frères' Paris studios.

Magnusson instead turned his attention to Denmark and the Nordisk Film Compagni in Copenhagen. He got the Swedish rights to some popular melodramatic Danish features and rerouted Swedish film export through the Danes' international distribution network. Educational film exchanges now went from Stockholm to Copenhagen rather than to Paris. Several of the movies produced in the Swedish studios were pure imitations of Danish popular films. Consequently, the studio space in Stockholm, where these films are recorded, earned the nickname "little Copenhagen."

However, this was not the first time Swedish filmmakers had sought an alliance with the Danes. At the time of Magnusson's early productions with the French, a competing movie theater owner, Frans Lundberg of Malmö, had tried to produce Swedish film using Danish crew and talent. Lundberg favored sensational dramas, passionate and erotic films, and dark crime pieces, all intended for a central European audience. Unfortunately, the international distribution turned out to be insufficient, and the Swedish film censorship committee practically banned the films from domestic distribution. The result was that Lundberg entirely dropped film production after a few years of financial difficulties.

In 1916 the Danish film empire started to falter, as World War I came to Europe. Some Danish filmmakers, who favored the German market, were banned by the Allied powers. Magnusson again showed his political savvy and dropped the Danes as partners. Instead, he realized the importance of solid business connections with the, eventually, victorious nations in the war, in particular with the vigorous American film industry.

Ironically, World War I had a tremendously positive impact on Swedish film. Since the country and its film industry were virtually unaffected by the war, Swedish films were suddenly in high international demand. Magnusson geared his studio to produce quality films, inspired by great works of literature, reaching a worldwide audience. Victor Sjöström and Mauritz Stiller directed virtually all of these films.

During a few years, Sjöström directed the world-renowned films *Terje Vigen* (A Man There Was), *Berg-Ejvind och hans hustru* (You and I), *Ingmarssönerna* (Dawn of Love), *Körkarlen* (The Stroke of Midnight), and several other movie classics. Stiller directed *Herr Arnes Pengar* (Sir Arne's Treasure), *Sången om den eldröda blomman* (Flame of Life), and *Erotikon* (Just Like a Man). Nobody can deny that the Swedes had two great directors during this period, though part of their success stemmed from the turmoil and chaos experienced by a majority of their international competitors.

The world-renowned photo equipment manufacturer Hasselblad initiated its own film production in 1915, also enjoying diminished international competition due to the war. George af Klercker—the director who had departed from Svenska Bio during the conflict with Pathé Frères—headed the new production department. During three summers, Klercker produced a large quantity of cinematographically advanced melodramatic and comedic films for Hasselblad in Gothenburg, on the Swedish west coast. As the corporate heads of Hasselblad realized that Svenska Bio had greater international successes with its more pretentious and serious literary films, Klercker once again was fired. Receiving large financial investments, Hasselblad reorganized its film production section and created a giant motion picture studio called Skandia. The new studio relocated to Stockholm and modeled itself to mimic Svenska Bio's international successes.

As the war drew to a close, and world peace approached, both Skandia and Svenska Bio enjoyed international and domestic box office successes. Suddenly the notion that Sweden would be a world filmmaking power in a time of peace and free trade following the war did not seem very far-fetched. Since it was recognized that having two competing film studios could undermine this position, a tremendous financial transaction took place. Svenska Bio and Skandia created one large film corporation called Svensk Filmindustri (SF). This fusion took place on December 27, 1919, three days before the turn of the decade. In early 1920 the domestic film industry was full of optimism and great plans.

To mark the excitement and the international plans, SF hired the two Danish directors, Carl Th Dreyer and Benjamin Christensen, to produce the films *Prästänkan* (1920, The Witch Woman), and *Häxan* (1922, Witchcraft Through the Ages). SF even bought an entire studio in Copenhagen for the latter film.

These great hopes were shattered fairly promptly, however. The competing international film industries rebuilt surprisingly quickly. Thus, the international community no longer had a great need for Swedish films, and an American invasion occurred instead.

In the mid-1920s, SF's position as a leader in film production was threatened even within the Swedish borders. American distributors exploded onto the market and opened subsidiaries in the country. Paramount, First National, Fox, MGM, Warner Bros., Universal, and United Artists were all represented. Their aggressive expansion policies led to takeover attempts of theaters and domestic film production during this decade.

Concurrently, Hollywood lured some of the greatest Swedish actors, actresses, and directors to cross the Atlantic Ocean, including Victor Sjöström and Mauritz Stiller. The great author Hjalmar Bergman nearly died in the attempt, while Greta Garbo, recently proclaimed a star in Sweden, signed with MGM and embarked on a successful Hollywood career. Others opted for the German market. Gösta Ekman starred with Emil Jannings in *Murnaus Faust,* and in 1923 the star from *Herr Arnes Pengar* (Sir Arne's Treasure), Mary Johnson, moved to Germany, where she ultimately married Rudolf Klein-Rogge.

Swedish film ended up in a vicious circle, where the production volume declined as American films gained market share, resulting in theaters demanding even more American films to fill the Swedish void. Around 1925, the domestic market consisted of 70 percent Hollywood movies and less than 3 percent Swedish-made films. The domination allowed American distributors to set the commercial market rules according to their own wishes.

Sweden, of course, was not the only country experiencing American domination. A similar identity crisis affected most European filmmaking countries during the 1920s. In the middle of the decade, there was a serious movement to create a unified European production front, to counter the imperialistic ambitions of American films. The initiative was taken in Germany. Russian producer Vladimir Wengeroff (who immigrated to Germany after the Russian Revolution) and the German corporation Stinnes started the production company Westi to coordinate the effort. In 1924 Sweden was invited to join them, and in 1925 SF and Wengeroff created the common subsidiary Nord-Westi.

Nord-Westi tried to re-create the spirit of the grandiose Swedish film era. The young director Gustaf Molander was expected to follow Victor Sjöström's lead and finish the filming of Selma Lagerlöf's gigantic novel *Jerusalem.* Sjöström initiated the task by directing *Ingermarsönerna* (Dawn of Love) in 1919. While Molander filmed in Palestine, Stinnes and Westi went bankrupt. Even though the film was exorbitantly expensive by Swedish standards, it was completed thanks to a bailout from the German corporation UFA. The result was two fairly successful films, *Ingemarsarvet* and *Till Österland* (1925).

The apparent risks associated with large international productions did not deter SF from continuing its cooperation with the German film industry. However, emphasis shifted from grandiose art films to more commercialized and internationally distributable films. SF tried to compete with American films by imitating the successful Hollywood formula. Production was refocused on melodramatic and comedic films with complicated story lines, using expensive props, locations, and, often, international stars. Lil Dagover, Betty Balfour, Willy Fritsch, and Miles Mander were some of the box office names that appeared in the films. By principles of rationalization, a single individual, Paul Merzbach, an imported Swiss-German story expert, created most of the scripts.

Soon it became apparent that the new production focus was a complete failure. At the end of the 1920s, Sweden turned from Germany to England, seeking a new production partner and hoping to save some of its filmmaking dignity. Unfortunately, this switch did not alter the fact that the majority of films from this era ended up as economic disasters.

In 1928 SF contemplated canceling all film production. During nine months in 1929, not a single Swedish film was in production. In this hour of darkness, sound film was introduced, and SF decided to hold off on its final termination of film production.

Sound film technology provided the vehicle for the commercial renaissance of Swedish film. Even though the technology was introduced just as the Great Depression got underway, films recorded in Swedish created such a strong public demand that the domestic film industry entered a new era of expansion. SF suddenly faced competition from many newly created small and mid-sized production houses around the nation. Most of the new production companies focused exclusively on the Swedish market and relied mostly on low-cost regional production crews and talent. The attractiveness of Swedish film also diminished the previously powerful market position enjoyed by American and other international distributors in the country, restoring peace and balance in the domestic film market.

During the first few sound film years, SF tried to retain the ability to export its films by recording foreign versions of Swedish films. The first Swedish sound film, *För hennes skull* (1930), a musical comedy directed by Paul Merzbach, was recorded in both Swedish and German. At the beginning of the 1930s, many Swedish films were recorded in French, German, and Norwegian versions. Again, the international success of these hybrid national films was minimal.

These attempts to internationalize sound films were fairly minor compared to the giant project that Paramount undertook in Joinville, outside Paris, France. Multilingual versions of the same movies were produced there around the clock. Thirteen American-financed Swedish movies were created in this facility, using Swedish actors and writers, but relying on foreign-base scripts. While virtually none of these artificial hybrids had any success in Sweden, they did provide a good training ground for Swedish film artists before the development of domestic sound film reached the technological sophistication of American films.

Swedish film in the 1930s turned out to be a mostly Swedish affair. Some of the comedic themes were indeed imitations of foreign successes, but there was almost no Swedish film export. However, Hollywood discovered two particularly well-written dramas. Created by Gösta Stevens and directed by Gustaf Molander, *Intermezzo* (1936) and *En kvinnas ansikte* (1938), starring a young Ingrid Bergman in the leading roles, were remade as American productions. In 1939 Gregory Ratoff directed *Intermezzo* with Ingrid Bergman in her first English-speaking role, and later George Cukor directed *A Woman's Face* (1942) starring Joan Crawford.

The most noticeable Swedish film exports during the 1930s and 1940s were film actresses rather than films. Ingrid Bergman was one of the brightest American movie stars during the war. Signe Hasso, a famous and beloved Swedish actress, tried to succeed in Hollywood, although her contributions were not of Bergman's caliber. Two other actresses, Zarah Leander and Kristina Söderbaum, became two of Germany's all-time greatest film stars.

These four actresses were of importance in the World War II propaganda machines, at work on both sides in the conflict. Ingrid Bergman starred in two of Hollywood's most outspoken antifascist movies, *For Whom the Bell Tolls* and *Casablanca.* Signe Hasso starred in *Assignment in Brittany* and several other war movies. On the opposite side of the Atlantic, Kristina Söderbaum, married to the German director Veit Harlan, was the star of the extremely anti-Semitic *Jud Süss.* Die Leander, or Zarah Leander, was the highest paid actress in the entire German movie industry and a major figure in Nazi film.

The political storms before the war dragged the entire Swedish film industry into the political game. Swedish labor unions decided to boycott all German goods, including German-made films, after the Nazi's seized power in 1933. Even though the boycott was quite inefficient, theater owners were clearly worried. Avoiding political issues was of the highest importance as they tried to retain the largest possible customer base.

However, in a move very inconsistent with neutrality, the Swedish film industry entered the International Film Chamber (Die Internationale Filmkammer) in 1935, an organization clearly dominated by German and Nazi political interests. It may be that the Swedes perceived the Chamber as balancing European power to American cultural interests. Unfortunately, it turned out to be a very political organization, compromising Swedish integrity, especially during the war that followed.

Even though Sweden never took part in the war, the influence on all aspects of daily life, including the filmmaking business, was readily apparent. Again, the film industry experienced a boom on all levels. The conflict created a desire for leisure activities and a need for simple pleasures. The sea and air conflicts considerably diminished the importation of foreign films, leaving considerable room in the domestic market for Swedish productions. Film production volumes have never been greater than during the 1940s. Also, for the first time, the Swedish government displayed a clear interest in film as a carrier of political and social propaganda. Swedish films also gained prestige as cultural messengers, fostering an interest in new, national, artistically ambitious projects.

The external politics of Swedish film during the years of conflict were clearly two faced. Sweden succeeded in zigzagging through the war without having to pit its own film interests against those of the Allied or the Nazis. The political balance was crucial, since the supply of film stock was extremely limited and the lifeline of the entire national film industry. Sweden's membership in the International Film Chamber guaranteed, at least initially, a steady supply of German film stock. At the same time, the entire film industry tried to stay friendly with the Allies. In 1942 the Swedes did take a stand against the German ban on American films, with the result that the film stock supply was threatened. The Allies immediately came through with shipments directly from Eastman Kodak. Sweden was then able to offer the Swedish films, shot on American film stock, to Nazi occupied countries as a replacement for the banned American films.

During the war, the Swedish Film Censorship Committee was not supposed to approve films that could prove disruptive to relationships with foreign powers. Up until 1942 only nine films were censored for political reasons (three German, four American, one British, and one Finnish film). After 1943 the committee censored no less than thirty-eight films, all created by the Allies. These numbers should not be misinterpreted, however, since the importation of films from America was fifteen times larger than the importation of films from Germany. The American films also retained their propaganda in a far more obvious way than the German films did during the last part of the war.

This censorship had indirect consequences for Swedish film production. Many of the domestic war films, seeking to improve Swedish character and morale, used patriotic propaganda and battle themes, although it was very unclear exactly whom the Swedish soldiers in these movies were gunning down. Who is the enemy? The producers constantly—and especially after the war—blamed their elusiveness on the censorship of politically "disruptive" themes.

The war did provide a breeding ground for broadening artistic expression and repertoire. Prominent directors like Alf Sjöberg and Hasse Ekman marked the beginning of a new era in Swedish film.

After the end of the war, the Swedish film industry was in a state of "fruitful chaos." Anything was possible, and nothing was certain. Untried, fresh talent showcased their abilities. The brave producer Lorens Marmstedt dared to initiate expensive international cooperative film productions with various levels of success (e.g., *Singoalla* [1949] by the French director Christian-Jacque). The modern film festival system created a need for quality film, proving beneficial even to a small country like Sweden.

In 1948 Arne Sucksdorff won an Academy Award for the short film *Människor I en Stad* (Symphony of a City). Then in 1950 another Academy Award went to Sweden and Norway, for Olle Nordemar and Thor Heyerdahl's documentary *Kon-Tiki.* In 1951 Alf Sjöberg received the Grand Prix in Venice for August Strindberg's *Fröken Julie* (Miss Julie), and for the first time in thirty years, there was an international demand for Swedish films. In 1952 Arne Mattsson won the Golden Bear in Berlin for *Hon dansade en sommar* (One Summer of Happiness). Arne Sucksdorff received numerous awards for *Det stora äventyret* (1953, The Great Adventure). In 1956 Ingmar Bergman's great debut, *Sommarnattens leende* (Smiles of a Summer Night), was presented at Cannes. For a few years, Swedish film again enjoyed world fame, and just as during the great Swedish silent film era, the success was due to international interest and audience response.

Soon Swedish film gained a reputation for erotic openness. *Hon dansade en sommar* (1952, One Summer of Happiness), *Käre John* (1964, Dear John), and *Jag är nyfiken, gul* (1968, I Am Curious—Yellow) were the most successful Swedish film exports of all time. "Schwedenfilm" became an expression for the semipornographic genre that grew strong across the Western world in the 1960s and ultimately paved the way for the pornographic movie industry.

In spite of Sweden's more or less flattering successes, the 1960s brought the worst Swedish film crisis since the 1920s. The crisis, branded "the Great Television Crisis," led to film theaters losing more than half their audiences over a span of just seven years. Most Swedish filmmakers seemed to lose their influence, with the sole exception of Ingmar Bergman, who alone soared toward new achievements.

To balance the crisis, Harry Schein, a Socialist politician in cultural issues, devised the Swedish Film Reform in 1963. The reform simply imposed a 10 percent tax on Swedish film theaters, to be paid to the Swedish Film Institute Fund. The money then stimulated the production of Swedish quality films. The result of the reform was a revitalization and renewal of the entire Swedish film industry. The main effect was that the box office income from foreign films paid for Swedish productions, and at the end of the 1960s, the fund had considerable amounts of money in its coffers.

At this time a cautious internationalization took place. The Swedish Film Institute participated in several French productions (like Godard's *Masculin Feminin* (1966, Masculine Feminine), and the industry invited several international directors, such as Peter Watkins and Susan Sontag, to work in Sweden. These attempts increased during the 1970s and eventually led to major international coproductions in the 1980s, such as Ingmar Bergman's *Fanny and Alexander* (1982), Jan Troell's *Ingenjör Andreés luftfärd* (1982), and Andrej Tarkovskijs *Offret* (1985, The Sacrifice).

These "exchanges" were also taking place in the opposite direction. Young

Swedish directors, such as Jan Troell and Bo Widerberg (and eventually Lasse Hallström), cooperated with American producers on major films. Some of "Ingmar Bergman's actors," such as Max von Sydow and Bibi Andersson, eventually had international careers of their own. Great directors of photography, such as Göran Strindberg and Sven Nykvist, to name a few, became extremely attractive on the international market.

In 1976 Ingmar Bergman was the subject of an income tax scandal. Even though he was exonerated within a few months, he chose to leave Sweden and work in exile for several years. He worked in the West German film industry with several great producers, such as Dino De Laurentis. (His return to Sweden culminated in his expensive [by Swedish standards] but also very successful film *Fanny and Alexander* [1982], which won four American Academy Awards. A five-hour version of this film appeared on Swedish television.)

During the 1970s and 1980s, the audience numbers were steadily decreasing at the Swedish theaters, now partly due to the introduction of the videocassette player. The result was that the Swedish Film Institute's power over productions decreased, and the Swedish film industry could no longer trust domestic resources to completely finance quality filmmaking. Instead, production cooperation with the other Nordic countries increased through formal agreements and common production funds. Today most larger productions made in Sweden tend to be Nordic coproductions

In the last few years, the potential for international investment in Swedish film making has also increased, primarily through a stronger European Union. The consequences of such cooperation, and their long term positive or negative impact, remain to be seen.

17

Brazil

Randal Johnson

The cinema arrived in Brazil a short six months after Auguste Lumière first revealed his *cinématographe* in Paris. The first session of what was called the *omniographo* took place on July 8, 1896, in a room on Rio de Janeiro's fashionable Rua do Ouvidor. Although it is not known who imported the first projector, the little evidence available suggests that the *omniographo* was the name given locally to Lumière's invention.[1] Rio de Janeiro had already seen Edison's kinetoscope, but the *omniographo* had a much greater impact, since it projected an image on a wall or screen for viewing by large numbers of spectators, whereas the kinetoscope's image could be seen by only one person at a time.

Just as the owner of the first *omniographo* is unknown, so too is it unknown precisely what film or films were exhibited that day. One thing, however, is certain: Neither the films nor the projector was Brazilian. Consistent with the country's economic situation in general, technological and economic dependence marked the underdevelopment of the Brazilian film industry from its very inception. Brazil's dependency has been largely responsible for the underdevelopment of its national film industry. By the second decade of this century, foreign cinemas had established firm control of the Brazilian film market, leaving little space for the national product. Without full access to the admittedly limited domestic market, the film industry has been unable to achieve adequate returns on investments. Consequently, the process of capital accumulation within the industry has been stifled, and continuous production has been difficult. The result has been a chronic lack of continuity within the industry, which frequently developed in isolated and short-lived cycles, often far from the country's major metropolitan centers and, consequently, far from the limited market that has in fact existed. Technologically speaking, Brazilian cinema has had to play a perennial game of catch-up, since virtually all equipment used in film production, including raw film stock, has had to be imported.

The country's dependency and peripheral development have also had ideological and cultural effects. When film production began in Brazil on a fairly large scale after the turn of the century, the formal uses to which the highly technological cinematic apparatus could be put had already been determined. Brazilians imitated European practices, especially those of Lumière, by first filming commonplace events and subsequently turning to events of local interest. The forms the cinema would take, like the technological apparatus itself, were created in Europe and the United States, and any deviation was considered "incorrect." As Ismail Xavier notes, "The notion of 'correct' technique assumes the legitimacy of 'universal' values embedded in the equipment and the raw material, themselves products of advanced technology. The technology embedded in the means of production facilitates its equivocal transfer of the economic notion of underdevelopment to the level of culture."[2]

The film-going public has thus historically been conditioned by the standards of European and American cinema, which dominated local markets as early as the first decade of the century. These films displayed levels of technical perfection impossible for incipient national industry, and with that perfection, they imposed certain cultural models of the "proper" or preferred form of cinematic discourse. Audiences became accustomed to that form and have been reluctant to accept alternative forms, even if produced locally. Brazilian films came to be seen by the Brazilian public as of poor quality and unworthy of support. The massive presence of foreign—largely American—films in the Brazilian market has tended to reinforce audience bias in their favor. Brazilian cinema has found itself in a double bind. On the one hand, it has not had the economic resources to equal the technical achievements of advanced industrial countries, and on the other, it has often lacked audience support for introducing different modes of filmmaking. Any discussion of the Brazilian film industry must therefore be set, a priori, within the context of the U.S. film industry's historical domination of the Brazilian market, which has continued unabated to this day.

In large part because of that domination, the Brazilian film industry has to a great extent become dependent on government support for its survival. Outside of the United States, direct government support of national film industries is the rule, not the exception. Industries in Europe, Africa, the Middle East, Asia, Latin America, as well as Canada and Australia, are supported in one way or another by the state. Even India, which has one of the largest and most successful commercial film industries in the world, producing over seven hundred films per year, has a government-sponsored enterprise, the Film Finance Corporation, which makes the production of alternative, experimental, or less commercially oriented films possible.[3]

The modes of film production, distribution, and exhibition are shaped by a variety of industrial, economic, cultural, aesthetic, and ideological factors. As an industry, the cinema in Brazil is affected by state measures in ways not affecting other art forms. Since in most instances it depends largely on imports for virtually all production equipment, as well as raw film stock, it is sometimes dramatically affected by changes in import or exchange policies. Ticket prices are often set by government agencies, so the production sector sometimes has virtually no say in determining the market value of its product. Development has also been hindered by foreign trade accords in which, bowing to pressure from Hollywood, governments have agreed to the principle of free flow of motion pictures across international boundaries. In fact, trade accords have made it less expensive to import foreign prints than film stock. In short, even without direct government protection of intervention, Brazilian cinema is in many ways dependent on or shaped by the state and its policies.

State intervention in the film industry dates from the early 1930s, when Getúlio Vargas implemented the first of what would turn out to be a long series of protectionist measures, most in the form of a screen quota for national films, designed to give the industry a modicum of stability for future development in a market long dominated by foreign cinemas. Since the 1930s, and especially after 1964, the state role evolved from that of regulator of market forces to active agent and productive force in the industry, especially through its various programs of film production financing (low-interest loans, advances on distribution, and coproduction with private companies). State support of the film industry led to the unprecedented success of Brazilian cinema in the late 1970s and early 1980s, and the distortions of government film policy contributed in a number of ways to its rapid decline in the early 1990s. The reemergence of production in the mid-1990s has been due in large part to a reorientation of state support, which now seeks to facilitate private sector investment in the film industry rather than continuing programs of direct state investment in individual film projects. The point to be made here is that government support of some kind is the sine qua non of viability for the traditionally undercapitalized and unprotected Brazilian film industry.

The Silent Period

One of the most successful early film exhibitors in Brazil was Italo-Brazilian Paschoal Segreto, who operated several exhibition venues in Rio de Janeiro—and to a lesser extent, São Paulo—in the first decade of the century. Most Brazilian film historians believe that Alfonso Segreto, Paschoal's brother, was the first person to shoot a film in Brazil. Segreto had purchased a Lumière camera in Europe and put it into use as the ship on which he was traveling entered Guanabara Bay.[4] Over the next few years, the Segreto brothers, working out of their own laboratories, would film public events, presidential outings, and scenes of local interest, exhibiting them almost immediately in their own theaters.

Other enterprising exhibitors quickly followed the Segreto brothers' example of integrating production and exhibition by making their own films to show in their own theaters. The silent period's leading historian, Vicente de Paula Araújo, mentions little film production independent of the exhibition sector during this early period. The incipient Brazilian film industry continued to grow and prosper throughout the decade, producing some one hundred films (mostly one-reel) per year between 1908 and 1911, a period that has since been called the *Bela Época* of Brazilian cinema.

The denomination of this period as the *Bela Época* of Brazilian cinema obfuscates, to a certain extent, the reality of the film market while simultaneously maintaining and propagating the myth of a "paradise lost" of that cinema. Although precise statistics are unavailable for film production and exhibition during this period, and although Brazilian cinema did achieve undeniable success, it seems unlikely that, even then, Brazilian cinema occupied more than a minority position in the market due to the vast numbers of foreign films imported. What was important during this period was that there existed a certain "peaceful coexistence" between Brazilian cinema and foreign cinemas; there was plenty of exhibition time available for both, a situation that would not occur again for several decades.

After the relative success of 1908 through 1911, Brazilian production dropped drastically as the *Bela Época* gave way to what has been called a "decade of penury" for Brazilian cinema. Several possible reasons can be ventured for the decline. Film renters appeared in 1911, providing foreign films at a competitive price. Exhibitors found it less attractive to produce their own films than to show the higher quality foreign films. The distribution sector thus drove a wedge between production and exhibition. Besides, the producers' failure to significantly expand their own markets rendered film production economically unfeasible. Foreign films had imposed a new standard of quality, and the small local companies could not compete. The outbreak of World War I no doubt also had an effect, making raw film stock more difficult to obtain.

More important, however, by 1912 the American film industry had organized on an international scale, leaving little room on the international scene for less organized concerns. The foreign takeover of the Brazilian market was easily achieved. During the first years of the decade, intense competition for Latin American markets existed between European and North American film industries, whose films were distributed by local companies. When early film "sellers" were replaced by film "renters," that is, distributors who rented films to exhibitors for a percentage of total box office income, the situation became even more difficult for local production. Foreign films, which had already covered their investment costs in their home market, became less expensive for exhibitors than the locally produced films, which had to recoup their entire investment in the domestic market alone. The Brazilian market began to be organized for the commercialization of foreign films, and the incipient Brazilian industry began to lose access to its own market.

World War I virtually eliminated America's European competition from the Brazilian market, and it was not long before American companies, not content with sharing profits with local firms, set up their own distribution outlets in Brazil. Fox arrived in 1915, Paramount (under the name Companhia Pellículas de Luxo da América do Sul) in 1916, Universal in 1921, MGM in 1926, Warner Bros. in 1927, and First National and Columbia in 1929.

By 1930 the Brazilian film industry had been unable to stabilize. Despite the success of the *Bela Época* of 1908–11, it had lost its market to the greater organizational and financial powers of foreign cinemas. The astonishingly rapid growth of the American film industry led quickly to an almost total domination of the Brazilian market. Although Brazilian feature film production never ceased to exist, it was sporadic rather than continuous, artisan rather than industrial. Brazilian cinema, as it existed, was largely sustained by the production of paid documentaries. The 1930s, however, would inaugurate a new phase of development for the industry.

Sound and the Studio Period, 1930–1954

The advent of sound in the late 1920s brought renewed optimism to those committed to developing a film industry in Brazil. Producers felt that foreign talkies would be unintelligible to Brazilian audiences and that local production would finally be able to take hold of the market without serious foreign competition. As a critic of the period wrote: "Movietone was the Waterloo of the American film industry. The North American's commercial intuition has failed. Brazil will now have its own cinema."[5] Based in part on this naive optimism, Adhemar Gonzaga founded the Cinédia Studios in Rio de Janeiro in 1930. Carmen Santos's Brasil Vita Filmes followed in 1933, and

Alberto Byington's Sonofilmes followed in 1936. The three studios were among the most significant production companies operative in the 1930s.

Gonzaga's Cinédia was the first attempt at concentrated industrialization in the history of Brazilian cinema. Cinédia was equipped with four sets of sound equipment, a studio large enough to accommodate several simultaneous productions, and two laboratories.[6] Between 1930 and 1945, Cinédia averaged two films per year, with a high of five in 1936. The average cost of producing a Brazilian film in the 1930s was around $7,000. Cinédia's popular *Bonequinha de Seda* (1936, Little Silk Doll) cost around $18,000.[7] Brasil Vita and Sonofilmes were less successful, the former producing thirteen films between its founding and 1958, the latter making eleven between 1936 and 1944.[8]

The optimism of those such as Gonzaga was short lived, and sound actually contributed to a decline in the production levels of Brazilian cinema in the 1930s. On the one hand, producers underestimated the malleability and power of the American film industry and its ability to adapt to the problems caused by sound, and, on the other, they underestimated the expense of making sound films. Here again arises the problem implicit in the technology of filmmaking. The Brazilian public soon became accustomed to sound films, even though not spoken in Portuguese, and the technological lag caused Brazilian cinema to fall even further behind American cinema in the domestic market. The equipment for making sound films was, of course, imported, and the links of dependency were once again strengthened.

In 1941, producers Moacyr Fenelon, José Carlos Burle, and Alinor Azevedo founded what would turn out to be the most successful attempt at continuous production on an industrial scale in the history of Brazilian cinema: the Atlântida Studios in Rio de Janeiro. Atlântida became truly successful after its acquisition, in 1947, by Luiz Severiano Ribeiro, owner of the largest national distributor and the largest national exhibition circuit. His organization dominated the Rio de Janeiro market, as it does today, as well as markets in the eastern, northern, and northeastern regions of the country.[9] Severiano Ribeiro's acquisition of Atlântida provided the studio with a vertically integrated system of production, distribution, and exhibition.

Atlântida combined its powerful position in the domestic market with the production of a series of relatively inexpensive but immensely popular film genres, notably the *chanchada,* or light musical comedy, often set at Carnival time. Between 1941 and 1977, Atlântida produced some 85 films. Its heyday was between 1945 and 1962, when it averaged over 3.5 films per year.[10] After that, the *chanchada* began to lose appeal due to the growing influence of television. Atlântida was successful, in short, not only because of its advantageous position in the domestic market but also because its production was geared for and based on the commercial potential of that market.

One other studio initiative warrants special attention: the Vera Cruz Studios in São Paulo. Founded in 1949 by members of São Paulo's industrial bourgeoisie (Franco Zampari and the Matarazzo group), Vera Cruz was modeled on the MGM studios in Hollywood. The idea was to create a "quality" cinema, much as the same group had attempted to create a "quality" theater the previous year by founding the Brazilian Comedy Theater. "Quality," in both of these cases, meant an elegant form of artistic expression designed to show that Brazilians too could make fine films and fine theater. It was to be an art, as Augusto Boal once put it, "made for the rich by the rich."

Vera Cruz imported top-quality equipment; contracted experienced European technicians to guarantee production quality; borrowed directors, scenographers, and actors from the Brazilian Comedy Theater; and invited Brazilian-born Alberto Cavalcânti—then in Europe—to direct the company. Cavalcânti stayed with the company only until late 1950. Vera Cruz produced eighteen feature films, the most famous of which was Lima Barreto's *O Cangaceiro,* double prizewinner in Cannes and a worldwide success.[11]

The films of Vera Cruz improved the technical quality of Brazilian films, increased capital investments in cinema, and incorporated into the national cinema the "international cinematic language," with its panoply of conventional devices: sophisticated sets, classical framing, elaborate lighting, fluid cuts and camera movements, scene dissolves, and so forth. The actors, décor, costumes, and music were often chosen to evoke a European ambience.

Vera Cruz set up a luxurious and expensive system, but without the economic infrastructure on which to base such a system. Too ambitious, it tried to conquer the world market before consolidating the Brazilian market. To reach the international market, it naively left distribution in the hands of American firms, which were more interested in promoting their own product than in helping to foster a vital Brazilian industry. In contrast to Atlântida, Vera Cruz drove production costs far above the lucrative potential of the domestic market, and it was finally forced to resort to temporary but ultimately suicidal palliatives to its problem of capital shortages: short-term, high-interest loans from the São Paulo state bank. Unable to recoup its investments in the domestic market—only one of its films, *O Cangaceiro,* made a profit—and unable to reach the world market, Vera Cruz went bankrupt in 1954. The "dream factory," which was greeted with such enthusiasm in 1949, quickly became a "nightmare factory."[12]

Cinema Novo

The failure of Vera Cruz sent shock waves through the Brazilian film industry and helped spark a search for new models of film production. Producers began to reject the artificiality and expense of the studio system in favor of an independent, artisan mode of production. In the early 1960s, this new mentality would later blossom into the internationally acclaimed Cinema Novo movement. At the genesis of Cinema Novo, therefore, was a new attitude toward the structure of the film industry. Influenced by Italian neorealism—and based on the failure of Vera Cruz and the undermining of the once-popular *chanchada* by television—Cinema Novo correctly determined that the foreign-controlled market could not provide an adequate return on expensive studio production and opted instead for an inexpensive mode of production using small crews, location shooting, and nonprofessional actors. This was the first time in the history of Brazilian cinema that such a mode of production was adopted by ideological and aesthetic choice rather than by circumstance.[13] Cinema Novo represented a new start for Brazilian cinema, with a new definition of the social role of the cinema, no longer conceived as a mere form of entertainment, but rather as a mode of artistic and cultural intervention in the country's sociohistorical conjuncture. As such, it became an important site of resistance against the military regime imposed on the country in 1964.

Glauber Rocha perhaps best expresses Cinema Novo's attitude toward models of film production in his seminal 1963 book, *Revisão crítica do cinema brasileiro.* He aligns the movement with the French *nouvelle vague*'s struggle to free itself from the rigid norms of industrial cinema, while at the same time politicizing the *nouvelle vague*'s concept of auteur. The auteur, according to Rocha, revolts against the mercantilist mentality of industrial cinema, which puts profitability and easy communication above art. Rocha proposed an opposition between "commercial cinema," equated with illusionistic technique and untruth, and "auteur cinema," characterized by freedom of expression and a dedication to truth.[14]

Cinema Novo thus rejected the studio system, a model borrowed from the "metropolis," as being dedicated by definition to the falsification of reality. Because of an extreme scarcity of finance capital for film production, Cinema Novo could not hope to equal the technical level of most foreign films. So rather than imitate dominant cinema, which would make their work merely symptomatic of underdevelopment, they chose to resist by turning, in Ismail Xavier's words, "scarcity into a signifier." The critical realism of films marked by the "aesthetic of hunger" served an important tactical and political function by expressing the radical "otherness" of Brazilian cinema in relation to world cinema.[15] In short, as part of their project for "decolonizing" Brazilian cinema and attempting to create a critical consciousness in the Brazilian people in opposition to the alienated consciousness supposedly fostered by Hollywood, Cinema Novo adopted a new attitude toward the industrial development of Brazilian cinema and a new attitude toward film aesthetics, privileging ideas over technical perfection, politics over commercial potential.

Despite the movement's real contributions along these lines, a paradox also appears in its strategies. Although it opposed traditional modes of cinematic production and the aesthetic forms accompanying them, its participants were unable to create alternative or parallel exhibition circuits. Rather, they released their films in established commercial circuits, which had been built primarily for the exhibition of foreign films. The Brazilian public, long conditioned by Hollywood's products, was generally unreceptive to the films of Cinema Novo, which became in many ways a group of films made by and for an intellectual elite and not for broad sectors of the Brazilian people or even of the film-going public.

Even Cinema Novo's low-cost production methods soon began to show their limitations, since producers quickly encountered difficulties in successfully placing their films on the market. Directors and producers came to depend on distributors and sometimes even exhibitors for postproduction financing, which put them in the disadvantageous position of having to pay a larger percentage than usual for the distribution and exhibition of their films. The problem of a return on investments became critical. Exhibitors argued that Cinema Novo films were too intellectual for success in the market, and the production of more popular films thus became imperative if Cinema Novo was to continue its efforts to create a modern Brazilian cinema. The struggle for the market became a priority.

Cinema Novo took two important steps to ameliorate the problem of reaching a broad audience. First, producers and directors formed a distribution cooperative—Difilm—as a strategy for placing their films more easily in the U.S.-controlled market. This measure was important, since it is on the level of distribution that American cinema dominates the Brazilian market. In 1973, Embrafilme, the government film agency created in 1969, took up and expanded the idea of a central distributor for Brazilian films.

Second, they began to make films with a more popular appeal. On the one hand, they turned to literary classics; on the other, comedy became an acceptable mode of discourse. Even so, Cinema Novo's major problem continued to be production financing, and as early as 1963, they looked toward the government for financial assistance, initially at the state level but soon thereafter at the federal level. A tacit alliance developed between Cinema Novo and the state. Cinema Novo participated in programs set up by the Instituto Nacional do Cinema (National Film Institute), created in 1966 by a decree of the military regime, and Embrafilme. The alliance would be to a certain extent formalized in 1973, when Roberto Farias, Cinema Novo's chosen candidate, became Embrafilme's director.

Cinema and the State

In the 1970s, Cinema Novo's alliance with the state through Embrafilme (Empresa Brasileira de Filmes) created a situation in which it seemed that Brazilian cinema would finally manage to solidify itself as an industry with the real potential for self-sufficiency. Between 1974 and 1978, the total number of spectators for Brazilian films doubled from 30 million to over 60 million, and total income increased by 288 percent, from $13 million in 1974 to over $38 million in 1978. Brazilian cinema's share of its own market increased from around 15 percent in 1974 to over 30 percent in 1978.[16]

Despite such success, the 1980s witnessed a downturn that reversed the economic growth of the previous decade. The number of theaters in the country dropped from 3,276 in 1975 to slightly over 1,500 in 1984 to less than 1,100 in 1988. In 1994, *Variety* reported the number of screens in the country to be only 800. The occupancy rate for all theaters dropped from 19 percent in 1978 to a mere 12 percent in 1984, and annual attendance per capita went from 2.6 times in 1975 to 0.8 in 1983. Attendance figures for Brazilian films dropped from 1978's high of 60 million to less than 24 million in 1988 and has continued to plummet as national film production declined from 102 films in 1980 to 84 in 1983 to less than 10 in 1991. But until the bottom dropped out, the crisis was perhaps less apparent in the number of films produced than in their quality. Between 1981 and 1985, hard-core pornography accounted for an average of almost 73 percent of total production, a trend that continued at least through 1988, a year in which 20 of the 30 top-drawing Brazilian films were pornographic.[17]

On one level, of course, the crisis of Brazilian cinema in the 1980s reflected the larger crisis of the national economy in a period when the so-called "economic miracle" of the 1967–73 period, characterized by high growth rates and relatively low inflation, was replaced by an economic nightmare with a $100 billion foreign debt and near hyperinflation. The economic crisis forced the government to impose severe restrictions on imports, making film production costs rise dramatically and accentuating what is often called the "dollarization" of the film production process. Film production costs increased rapidly at a time when the market was shrinking, thus accelerating the process of decline, and ticket prices, which have long been controlled by the government, did not keep pace with inflation, further reducing the industry's income. High inflation rates have made film-going a luxury for much of the Brazilian population.

Television, which was so successful during this same period (due in part to considerable infrastructural public sector investments in the telecommunications industry), provided Brazilians with inexpensive yet generally high-quality entertainment in the comfort of their homes. At the same time, unlike the United States and Western Europe, television did not provide the national film industry with a significant additional source of income, since historically there has been little integration between the two media. In addition, the rapidly expanding video market caused the home to replace the movie theater as the venue of choice for viewing films. In 1987, film and video distributors in Brazil both had revenues of around $90 million; by 1991 video revenue had increased to around $490 million, while theatrical revenues had increased only slightly, to around $125 million (a decrease of $13 million from the previous year).[18]

But the crisis goes beyond mere economic considerations. It represents the bankruptcy of the state-supported model of film production that led Brazilian cinema, in the mid-1970s, to truly remarkable levels of success. It is a crisis of a questionable policy that did not derive from a farsighted vision of the future of Brazilian cinema and that was authoritarian in many of its particulars, especially in relation to the exhibition sector. Although the policy made viable many important film projects, including most of the Brazilian films distributed in the United States in the 1980s and early 1990s, it ultimately failed to reconcile the state's cultural and industrial responsibilities in relation to the cinema and led to the meteoric fall of the Brazilian film industry in the early 1990s.

The policy failed largely because of its corporatist and clientelistic nature, which led it to respond to the demands of clients who occupied dominant positions in the cinematic field rather than provide infrastructural support that could have strengthened the industry as a whole. Although the state claimed that its goal was to make the cinema more competitive in its own market, the screen quota and the various forms of financial assistance it provided in fact suspended the rules of the marketplace for national films, which ceased to compete against foreign films in the domestic market and began to compete against each other in the reserve market. Embrafilme became the major source of production financing, and the agency itself became a marketplace where filmmakers competed against each other for the right to make films, thus exacerbating tensions within the industry and creating a situation in which the play of influences was often more important than the talent of the filmmaker or producer.

As stated previously, the Brazilian government began its direct financial support of the film industry in 1966 with the creation of the Instituto Nacional do Cinema (National Film Institute). The institute, created by an executive degree of the military regime, was the result of a long struggle by most sectors of the film industry.[19] It administered three major programs of support: first, a subsidy program providing all national films exhibited with additional income based on box office receipts; second, a program of additional cash awards for "quality" films, selected by a jury of critics and film industry professionals; and, third, a film-financing program in which the institute administered coproductions between foreign distributors and local producers using funds withheld from the distributor's income tax. These three programs were available to all interested filmmakers and thus tended to support the production sector as a whole.

The coproduction program ended in 1969 with the creation of Embrafilme, which was originally intended to promote the distribution of Brazilian films in foreign markets, and the funds withheld from the distributor's income tax became a major source of the agency's budget. As early as 1970, Embrafilme began granting producers low-interest loans for film production financing. Between 1970 and 1979, when the loan program was phased out, Embrafilme financed over 25 percent of total national production in this manner.

As initially formulated, decisions to grant production financing were ostensibly made on purely technical grounds, taking into consideration the size of the company, its production history, the number of awards it had won in national and international festivals, and its experience. Such a policy may seem reasonable for most economic sectors or most industries, but the film industry is different in that its product transmits cultural, social, and ideological values, and such "neutrality" was seen as unacceptable by many segments of Brazilian society. One influential newspaper editorialized that Embrafilme should *not* be a mere technical agency but rather should finance only films of high quality that contribute to the "moral foundations" of Brazilian society.[20] Since a "neutral" policy designed to foster Brazilian cinema as a whole led to the production of films deemed undesirable by many social sectors, including the military—and here I am referring to the rash of *pornochanchadas* (erotic comedies) that began to appear in the early 1970s, many partially subsidized by the state—a reformulation of Embrafilme's production policy became inevitable.

In 1975, Embrafilme was reorganized and at that time absorbed the executive functions of the now-defunct INC. The Conselho Nacional do Cinema (Concine) was created the following year to assume INC's legislative role. In 1973, Embrafilme had created its own nationwide distributor, long a goal of Brazilian producers, and in 1974 it initiated a program of coproduction financing that gradually replaced the loan program. As initially formulated, the enterprise participated in selected film projects with up to 30 percent of total production costs. With an advance on distribution of another 30 percent, the state could cover up to 60 percent of a film's production costs. In the late 1970s, Embrafilme began providing up to 100 percent of a film's financing in a limited number of cases.

The coproduction program described above marked a fundamental redirection in state policy toward the industry. With this program, the granting of production financing became much more selective. When the state decides to coproduce a limited number of films, it must inevitably decide *which* Brazilian cinema it will support. This causes the state, on the one hand, to enter into competition with nonfavored sectors of the industry and, on the other, to become a site of contention for competing groups. The reorientation of the state's financial assistance to the industry exacerbated conflicting positions among filmmakers.

Another effect of the shift in policy, it is often said, was to "socialize losses and privatize profits."[21] Since the state assumed the lion's share of financial risk involved in film production, many directors and producers tended to be less concerned with keeping costs down and, at least to some extent, with public acceptance of their films. Embrafilme's coproduction program undeniably improved the technical quality of Brazilian cinema, but by doing so, it allowed production costs to be inflated to levels far above the market potential for return in the domestic market. At the same time, Embrafilme did little to improve and strengthen the industry's infrastructure. Its focus, at least in terms of financial support for the industry, was almost exclusively on production and its own distributor. In many ways, dependence on the state caused the film industry to cease having an autonomous life of its own, and its modes of production, distribution, and consumption became mediated and bureaucratized by the state.

By the mid-1980s, it become clear that the existing mode of state-supported cinematic production was obsolete and a reformulation of the relationship between cinema and the state was necessary. The urgency of the restructuring became clear, and Embrafilme once again was the object of severe public criticism and debate when the *Folha de São Paulo* published, throughout the month of March 1986, a series of articles on the enterprise's management. In one editorial, the newspaper referred to Embrafilme's activities as a "moral, economic, and artistic disaster."[22] Increasing numbers of film industry professionals recognized the need for a reevaluation of the relationship between cinema and the state.[23] Despite another attempt at transformation, which took place during the Sarney administration (1985–1990), Embrafilme's fundamental orientation—the clientelistic support of individual film projects rather than the industry as a whole—remained unchanged, and the general situation of the Brazilian film industry continued to deteriorate. In March 1990, in one of his first actions as the recently inaugurated president of Brazil, Fernando Collor de Mello abolished Embrafilme and Concine and reversed a governmental cultural policy that had been evolving irregularly in the country since the 1930s. Collor's action—inspired by neoliberal, free market economic theories—represented the *coup de grâce* to a poorly formulated film policy that had largely ceased to be recognized as socially legitimate.

From the Ashes?

After Collor's elimination of government financing of the film industry in 1990, other agencies, mostly at the state and local level (e.g., BANESPA, the State Bank of São Paulo), initiated limited programs of support that have kept at least a small number of films in production. More recently, Brazil's new president, Fernando Henrique Cardoso, implemented a new film policy that studiously avoids the Embrafilme model. The idea is to use government policy to attempt to make films profitable in the marketplace, with a combination of direct private (and indirect public) investments, by allowing corporations and individuals to invest a percentage of their income tax in cultural endeavors. The policy has resulted in a dramatic increase in the amount of production financing available, primarily because investors' funds are not at risk; they are owed the government anyway. The policy will also attempt to strengthen interchange with other countries as a means of assuring an international market for Brazilian films.[24]

By the mid-1990s, the Brazilian film industry began to emerge from the most recent crisis. Production is in full swing, with some thirty to forty films per year projected, both by veteran directors as well as a substantial number of newcomers.[25] At the same time, signs exist that the exhibition sector may be on the rebound, especially through the construction of multiplex sites in urban shopping centers, although it remains to be seen whether Brazilian films will have more success than they had in the past in accessing a significant share of the market or whether they will continue to be marginalized in art houses and cultural centers. Nevertheless, the new direction in cinema/state relations signifies the end to the clientelistic and paternalistic attitude that had dominated Brazilian film policy since the early 1970s, shifting responsibility from the state to the private sectors, and it may truly represent a new beginning for Brazilian cinema.

Notes

This essay draws freely from three of my works: *The Film Industry in Brazil: Culture and the State* (Pittsburgh: University of Pittsburgh Press, 1987); "The Rise and Fall of Brazilian Cinema, 1960–1990," *Iris: A Journal of Theory of Image and Sound* 13 (1991): 97–124; and "Film Policy in Latin America," in *Film Policy: International, National, and Regional Perspectives,* ed. Albert Moran (London: Routledge, 1996), 128–47.

1. Vicente de Paula Araújo, *A Bela Época do Cinema Brasileiro* (São Paulo: Perspectiva, 1976), 74.
2. Ismail Xavier, "Allegories of Underdevelopment: From the 'Aesthetics of Hunger' to the 'Aesthetics of Garbage'" (Ph.D. diss., New York University, 1982), 17.
3. In *Third World Film Making and the West* (Berkeley: University of California Press, 1987), Roy Armes describes diverse forms of state support of films industries throughout Latin America, Asia, Africa, and the Middle East.
4. In "Descoberto o Primeiro Filme Brasileiro," *Revista USP* 19 (1993): 170–73, José Inácio de Melo Souza gives the honors to José Roberto da Cunha Salles. For a recent discussion of the origins of Brazilian cinema, see Jean-Claude Bernardet, *Historiografia Clássica do Cinema Brasileiro* (São Paulo: Annablume, 1995), 17–33.
5. *Diário Nacional,* 17 January 1929; cited in Jean-Claude Bernardet and Maria Rita Galvão, *Cinema: Repercussões em Caixa de Eco Ideológica (As idéias de "nacional" e "popular" no pensamento cinematográfico brasileiro)* (São Paulo: Brasiliense, Embrafilme, Secretaria da Cultura, MEC, 1983), 46.
6. Gaizka Usabel, "American Film in Latin America: The Case History of United Artists Corporation, 1919–1951" (Ph.D. diss., University of Wisconsin, Madison, 1975), 146.
7. *Variety,* 20 January 1937.
8. Araken Campos Pereira Jr., *Cinema Brasileiro (1908–1978),* vol. 1 (Santos: Editora Casa do Cinema Ltda., 1979).
9. José Inácio de Melo Souza, "Congressos, Patriotas, e Ilusões: Subsídios para uma História dos Congressos de Cinema" (Unpublished manuscript, 1981), 26.
10. This figure is based on films listed in Araken Campos Pereira Jr.

11. This brief discussion of Vera Cruz is taken from Randal Johnson, *Cinema Novo x 5: Masters of Contemporary Brazilian Film* (Austin: University of Texas Press, 1984), 4–6, which draws from Maria Rita Galvão, *Cinema e Burguesia: O Caso Vera Cruz* (Rio de Janeiro: Civilização Brasileira/Embrafilme, 1981); Maria Rita Galvão, "Vera Cruz: A Brazilian Hollywood," in *Brazilian Cinema*, ed. Randal Johnson and Robert Stam (New York: Columbia University Press, 1995), 270–80; and Randal Johnson and Robert Stam, "The Shape of Brazilian Film History," in *Brazilian Cinema*, ed. Randal Johnson and Robert Stam (New York: Columbia University Press, 1995), 15–51.
12. José Inácio de Melo Souza, "Congressos, Patriotas e Ilusões," 28.
13. Johnson and Stam, "The Shape of Brazilian Film History."
14. Glauber Rocha, *Revisõo crítica do cinema brasileiro* (Rio de Janeiro: Civilização Brasileira, 1963), 13–14.
15. Xavier, 18–21.
16. The evolution of Cinema Novo's relationship to the state is outlined in Randal Johnson, *The Film Industry in Brazil*, esp. chapters 4–6. Statistics are from "Lei básica do cinema brasileiro," *Filme cultura* 33 (1979): 114–16.
17. *Jornal da Tela*, March 1986, 3.
18. Mário Nery, "No trono doméstico," *Veja*, 14 August 1991.
19. Randal Johnson, *The Film Industry in Brazil*, 107–12.
20. *O Estado de São Paulo*, 28 January 1972.
21. Susana Schild, "Embrafilme, um modelo falido," *Jornal do Brasil*, 23 March 1986.
22. "Cine catástrofe," *Folha de São Paulo*, 20 March 1986
23. Cinema Novo veteran Carlos Diegues *(Bye Bye Brasil)*, for example, referred to the enterprise as a "cultural Medicaid system that treats cancer with Band-aids," and Embrafilme director Carlos Augusto Calil (1985–87) asserted that the state could no longer attempt to substitute for private enterprise and that the existing model was simply no longer viable. Diegues's remark came in an interview to the *Jornal do Brasil* on 23 February 1985 and Calil's in an interview to that same paper on 23 March 1986.
24. *Folha de São Paulo*, 15 November 1994.
25. Among the veteran filmmakers whose work has contributed to the reemergence of Brazilian cinema are Nelson Pereira dos Santos (*A Terceira Margem do Rio*, 1994), Carlos Diegues (*Tieta*, 1997), and Bruno Barreto (*O que é isso, companheiro?* 1997). A host of young cineastes has made initial forays into feature film production, although most have considerable experience in short films, in documentaries, or as assistant directors. To give just three examples, José de Araújo's *Sertão das Memórias* (1996) was awarded the prize for Best Latin American Film at the 1997 Sundance Festival; Sandra Werneck's *Pequeno Dicionário Amoroso* (1997) led Brazilian films at the box office in the year of its release; and Tata Amaral, best known for her documentary work, directed *Um Céu de Estrelas* (1996).

18
Mexico
Joanne Hershfield

Introduction

Cultural and aesthetic parameters have defined the institution and consolidation of a national cinema as an expression of the "national." And since the early global dominance of the U.S. industry is taken as a given, the impetus to specify cinemas as national has meant that discrete film histories have generally been written as narratives of a cultural resistance to Hollywood. In tracing out a history of the institutionalization of the Mexican film industry, this essay will argue that the history of any national cinema is structured through a more complex operation of shifting strategies and alliances of domestic and foreign policies, economic and political ideologies, and social and cultural practices.

In Mexico, these internal and external pressures included (1) U.S. worldwide domination of distribution and exhibition early on in the history of cinema and its explicit intention to penetrate and maintain a secure place in the Latin American film market, (2) numerous national and international crises such as the Mexican Revolution (1910–20) and the worldwide economic depression of the 1930s, (3) the continuously transformative nature of political and economic relations between the Mexican State and the film industry and between Mexico and the United States, and (4) changes in what Carlos Monsiváis describes as "an alliance between the film industry and the audiences of the faithful, between the films and the communities that saw themselves represented there."[1] In the following discussion, I will trace out the ways in which the dynamics among these four factors structured the history of Mexican cinema.

Silent Cinema

The Lumière brothers introduced their cinematographic invention to Mexico City audiences in 1896 only a few short months after cinema's premiere in Paris. French and American producers immediately began photographing local events and subjects in Mexico and distributing them alongside their own films. At the same time, a few Mexican entrepreneurs were shooting their own versions of the "documentary"—local scenes and important national events—and exhibiting them in theatrical venues to upper-class audiences and in tents for the majority of Mexicans who lived in isolated villages spread out around the vast rural expanse of Mexico.

The Mexican film industry was initially a private venture of independent Mexican entrepreneurs who were instrumental in initiating the development of a national film industry and aesthetic. Most of the early Mexican films were newsreels and documentaries made by individual cameramen rather than fictional narratives put together by production entities. These local entrepreneurs soon realized that distribution was less risky and more profitable than production. Producers had to import equipment and film stock that increased their costs and diminished their profits. They saw that the marginal costs associated with distribution were minimal compared to production outlays. Unlike other commodities, films, as cultural products, are not used up when they are consumed but can be reused repeatedly. Once distributors understood these particular characteristics of their product, they began to rent their films to exhibitors instead of selling them.

Hollywood and Europe offered a continuous supply of new products to these enterprising Mexican businessmen who quickly bought up foreign films and set themselves up in business with an inventory of fifty or one hundred movies. They screened their offerings over and over again, before and after live vaudeville acts and in tents set up in various neighborhoods around Mexico.[2] In 1905, two of the most successful filmmakers-cum-exhibitors-cum-distributors, Salvador Barragan and Enrique Rosas, exhibited more than two hundred local and foreign films in Mexico City alone.[3] By 1906, theaters devoted to film projection were being constructed in Mexico City and other major cities, and by 1907 the tents had all but disappeared. In 1911 there were over forty venues devoted exclusively to film in Mexico City alone.[4]

In these early years, Mexico controlled her own market, aesthetically and economically. Aurelio de los Reyes notes that by 1910, "95% of the capital invested [in film production, distribution, and exhibition] was national and that a specific cinematographic style had begun to emerge."[5] The earliest Mexican films celebrated the nation by documenting its landscapes, its indigenous cultures, and the political pomp and circumstance of President Porfirio Díaz's extended reign (1876–1910). Although the nonfiction genre dominated Mexican cinema during these first two decades, a significant number of fiction films were also produced.[6] While commercial filmmaking did come to a virtual standstill during the Mexican Revolution, documentaries about strategic encounters between revolutionary factions and the *federales* proved very popular with Mexican audiences.[7]

However, Mexico's initial control of domestic film production, distribution, and exhibition was short lived. While the decline in self-determination can be partially attributed to the national crisis of the Mexican Revolution, the causes are more complex in scope. As noted above, even before the revolution, film producers were forced to import all of their production and projection equipment and film stock from France and the United States. Moreover, by the end of the first decade of cinema, the majority of films screened in Mexico were also imported, primarily from France. Local producers could not keep up with their audiences' demand for an endless and varied supply of films.

By 1912, the primacy of the Hollywood film industry in the international marketplace was in place.[8] With a sizable and guaranteed domestic market in which to recoup production costs, major U.S. film companies turned to foreign distribution to expand their profits through world markets.[9] Easy access into Latin American markets was ensured due to the precedence of earlier economic and political intervention by other industries and by the absence of governmental protectionist policies. According to Fred Fejes, by 1918, "the United States was supplying the region with 54% of its imported goods."[10]

The end of the Mexican Revolution marked the beginnings of a Mexican studio system and Mexican feature film production. Aurelio de los Reyes notes that by 1916, "it was firmly believed that the Mexican film industry was about to take off and that it was necessary to build a solid foundation for it."[11] In 1917, actress Mimí Derba and producer Enrique Rosas established the Azteca Film Company and produced five films in that one year. Two years later, Enrique Rosas's *El automvil gris* (The Grey Automobile), the film that was to go down in history as the first feature-length "specifically Mexican" narrative film based on a famous public incident, was released to enthusiastic audiences. One of the most prolific early film pioneers, Miguel Contreras Torres, produced and directed a total of eight films between 1919 and 1927.[12]

Despite these auspicious beginnings, Mexican filmmakers could not compete with a booming U.S. film industry that was already looking to expand its global reach.[13] For the United States, international trade in Hollywood cinema was important not merely for the revenue it brought in for the rental of films but also for the ways in which it enlarged the market for other mass-produced products. Private investors in the United States realized the opportunities of a rapidly growing cinema audience in Mexico and began investing in Mexican distribution and exhibition.

American film companies did not operate in isolation from other significant sources of power. They received tacit cooperation from the federal government early on. Support for expansion into international markets was secured through the establishment of the Motion Picture Section in the Bureau of Foreign and Domestic Commerce in 1925–26. This office explicitly encouraged the diffusion of American films into foreign countries. Paramount, MGM, Twentieth Century-Fox, Warner Bros., and RKO had established distribution branches in the larger urban centers of Latin America, including Mexico City by the late 1920s.[14] These U.S. companies succeeded in circumventing local distributors by offering better deals to the exhibitors.[15] For example, U.S. firms would adjust their rental fees to accommodate particular markets. In Mexico City, rental rates varied between 20–30 percent of box office receipts on first screenings. In smaller towns where second- and third-run features predominated, rental rates were much lower, so as not to cut into the exhibitors' profits.[16] Mexican distributors could not afford to offer these kinds of deals.

They also could not compete in terms of output or production values. Urged on by producers and local investors, Mexico finally began to implement governmental protectionist legislation in an attempt to shift this balance and stabilize their growing domestic film industry. In 1929, the Bureau of Public Amusements issued a circular requiring foreign distributors in Mexico to purchase at least one Mexican film per year to show in their own domestic market. The *Film Daily Yearbook* gleefully noted, however, that "as yet the government has made no effort to actually put into effect this quota provision."[17]

That same year, the Mexican government issued a decree demanding that exhibitors show two reels of film per week devoted to national subjects.[18] However, this decree was difficult to enforce due to an inadequate supply of local products. Simultaneously, the domestic industry was also heavily taxed. Mexican producers were strapped with stamp taxes, production taxes, duties on imported materials, censorship fees, a tax on gross box office receipts, and an absentee tax on all monies sent abroad.[19]

By 1928, 90 percent of all films exhibited throughout Mexico (as well as the rest of Latin America) were produced in the United States.[20] Despite the dominance of Hollywood and other foreign interests and the lack of support of its own government, domestic film production managed to gain a foothold in the hearts of the Mexican audience during the first few decades of the century. Mexican silent cinema left a legacy of over a hundred silent features and documentaries made between 1898 and 1928.[21] However, it was the introduction of sound technology that paved the way for a truly Mexican cinema, ushering in the golden age of Mexican cinema and providing the Mexican film industry with its only chance to confirm its viability.

Sound Cinema

Alejandro Galindo has suggested that Mexican cinema was born with its first successful sound film, *Santa* (Antonio Moreno), in 1931.[22] Mexican sound cinema managed, against economic, ideological, and political odds, to establish itself as a national commodity. It was given a space in which to develop along several different lines that appealed to its audiences at home and in other Spanish-speaking Latin American countries, for example, films made primarily for commercial reasons resembling the North American model, an independent experimental cinema produced by intellectuals and artists like the playwright Juan Bustillo Oro, and state-supported productions—such as *Redes* (1934) and *Vámanos con Pancho Villa!* (1935, Let's Go with Pancho Villa)—that were concerned with social and cultural themes.[23]

While the shift from silent to sound films in Mexico required an enormous input of capital, it also created language barriers that helped bolster national film industries in several Latin American countries including Mexico. Hollywood studios attempted to maintain their dominance in Latin America through the production of Spanish-language versions of their films. However, Latin American audiences rejected Hollywood's "Spanish" sound films, with their mixture of Latin American and Andalusian accents and subtitled films that were incomprehensible to millions of people in Latin America who were illiterate.

Besides the language problem, the global economic depression of the 1930s created an impetus for increased industrialization in Latin America. Deprived of easy access to previously imported consumer goods, Latin American countries moved toward a greater degree of economic self-sufficiency. In Mexico, this was evident in the growth of a number of industries, including cinema, and by nationalization policies instituted by President Lázaro Cárdenas (1934–40). Under Cárdenas, Mexico experienced a revolutionary resurgence that included the reorganization of the official political party (the Institutional Revolutionary party [PRI]), a massive literacy campaign aimed at rural populations, and the expropriation of the Mexican oil industry from foreign holdings. From the Cárdenas era onward, Mexican cinema was inexorably tied to the economic, political, and social policies of each six-year presidential regime or *sexenio.*

President Cárdenas nationalized major industries including the railways and the film industry. His administration established a protectionist policy that included tax exemptions for domestic production, created the Financiadora de Películas, a state institution whose mandate it was to find private financing for films, and instituted a system of loans for the establishment of major film studios. During his administration, the first modern studio, Cinematográfica Latino Americana, S.A. (CLASA), was built (with private money) and outfitted with the most modern production equipment available. Although CLASA was forced to declare bankruptcy after the production of its first film, *Vámanos con Pancho Villa* (1935, Let's Go with Pancho Villa), the studio was ultimately bailed out with government support.

In 1932, only six films were produced; in the following year, the film industry celebrated the release of twenty-one feature films, and in 1938, Mexican studios produced fifty-seven films.[24] While these figures did not translate into immediate economic success for the film industry (only 6.5 percent of the films that premiered in Mexico City in the 1930s were Mexican),[25] sound and the Depression did open the way for a national cinema distinguished by Mexican dialects, stories, genres, and music.

This era also marked Mexican cinema's successful penetration into the Latin American market. Like Hollywood, the Mexican film industry recovered its production investments at home; everything else was profit. Although Hollywood films dominated Latin American screens and U.S.-owned companies controlled distribution, Mexico realized significant profits by exporting films like Fernando de Fuentes' *Allá en el Rancho Grande* (1936, Out There on the Big Ranch) to appreciative Argentinean and Cuban audiences.

By the late 1930s, World War II had closed major European markets to U.S. industries and halted the flow of European goods into Latin America, paving the way for increased penetration by U.S. business interests, including film. As the war spread across Europe, overseas revenues of the U.S. film industry in that sector fell sharply.[26] Hollywood turned to Latin America and began to intensify its penetration into those markets. In 1933, President Franklin D. Roosevelt implemented his "Good Neighbor Policy" to promote the U.S. economic and ideological position in Latin America. Mexico and other Latin American countries responded to Roosevelt's neighborliness by setting up additional protective tariffs and import/export controls and strengthening existing protectionist policies. In 1941, President Manuel Avila Camacho's administration instituted the first censorship regulations in twenty years (Reglamento de supervision cinematográfica). One of the directives stated that all foreign films had to be either dubbed or subtitled in Spanish. Additionally, Article 18 of the Reglamento prohibited the distribution and exhibition of foreign films that were "offensive" to Mexico. However, as with previous governmental edicts, Article 18 was rarely enforced.

In the 1940s, Roosevelt created the Office of the Coordinator of Inter-American Affairs (CIAA) and appointed Nelson Rockefeller as its head. Believing that U.S. films could play an important role in the promotion of relations with the southern hemisphere, Roosevelt established a Motion Picture Division within the CIAA and named John Jay Whitney as its director. During these war years, Mexico entered into an agreement with the United States and was receiving economic and technological support that in the film industry translated into raw stock, equipment, and production support, patronage Mexico could not afford to give up.[27]

If most of the nationalist policies instituted by Cárdenas had been politically and socially motivated, Avila Camacho's strategies were grounded in economic mandates. The creation of the Banco Cinematográfica (BNC) in 1942 energized the industry. The BNC helped to combine some of the more prominent production and distribution companies into a single, large, integrated firm. However, this state-controlled bank made loans only to selected private producers associated with the largest studios.

Strategies of combining state protectionist policies with private local capital and support from U.S. interests in Mexico did mean that Mexican film production was able to increase from forty-one films in 1941 to seventy films in 1943. What is more important, Mexico's share of its own domestic market grew from 6.2 percent in 1941 to 18.4 percent in 1945.[28] In addition, Latin America continued to demand Mexico's Spanish-language films. As a result of these various state protective and supportive measures, the Mexican film industry did enjoy an economic boom during the second decade of the golden age of Mexican cinema. But Hollywood producers were not especially worried. James Lockhart, the *Motion Picture Herald*'s Mexico City correspondent noted, "[O]f the 600 pictures exhibited in Mexico annually, more than 95 percent are imported, principally from the United States."[29] Despite this command of the Mexican market, U.S. distributors complained about the import taxes and threatened to withdraw from Mexico if the government did not meet their requests for a modification of the tax measures. Predictably, Mexican exhibitors supported this appeal claiming that "the withdrawal of foreign distributors from Mexico would deal a severe blow to the industry, as Mexican producers are unable to meet demands for product."[30] Local exhibitors also recognized the bottom line: Mexican audiences were demanding unrestricted access to Hollywood films.

Miguel Alemán, who had been the minister of government under Avila Camacho, became Mexico's next president (1946–52). Following in his predecessor's conservative and centrist footsteps, Alemán increased industrialization and expanded Mexico's relations with foreign investors. His administration established a new bank, the Crédito Cinematográfica Mexicano (CCM). Its purpose was to help finance the nation's largest film producers. The CCM quickly moved into production and distribution, buying up studios and movie theaters, challenging the exhibition monopoly held by an American financier, William O. Jenkins.[31] The government also instituted a number of protectionist measures that nationalized the BNC and the CCM and exempted the industry from paying state taxes. In addition, it supported the establishment of state distribution with the institutionalization of Películas Nacionales, S.A. in 1947.

These actions were not enough, however, to prevent the subsequent decline of Mexican cinema in the early 1950s in terms of both quality and quantity. It became very difficult after World War II for small countries like Mexico to enforce import quotas on foreign films. Hollywood's European markets reopened, and the U.S. withdrew its wartime support of the Mexican film industry. Because all sectors of the industry were either owned or capitalized by foreign investors, this move had an immediate, although temporary, effect on Mexican cinema. Production output dropped from seventy-two films in 1946 to fifty-seven in 1947. Eduardo de la Vega Alfaro suggests that in response to this decrease, Mexican filmmakers "discovered a formula for survival and consolidation: the production of low-budget films based on urban-suburban themes."[32] These films became extremely popular with the new urban proletariat that had emerged when an unprecedented migration of low and unskilled labor relocated from isolated rural areas into the neighborhoods of Mexico City and other metropolises in the 1940s. An average of 102 films were produced per year between 1948 and 1952 and kept the industry afloat during a time of increasing crisis.[33]

The Decline of the Industry

In 1952, another conservative president, Adolfo Ruíz Cortínes, reorganized the BNC under the direction of Eduardo Garduño, who in 1953 proposed the "Plan Garduño." The intentions of the plan were to contest Jenkins's monopoly by centralizing production, distribution, and exhibition and to reduce the number of foreign films allowed into Mexico to 150 per year. Garduño's measures did keep production levels consistent—83 films in 1953, 118 in 1954, and 136 in 1958.[34] However, Mexican critics agree that this came at a price—that of quality, as producers turned to tried-and-true formula pictures to draw audiences and ensure profits. Carl J. Mora argues that "growing state intervention simply increased the commercialist nature of the movie industry."[35]

The BNC became fully nationalized by the 1960s and was responsible for generating most of the financing for feature film production in Mexico. Financing was restricted to those producers who could turn the highest profits, and thus low-budget "quickies" became the genre of choice in the industry. Producers who were businessmen rather than filmmakers restricted their product to genres such as soft-porn, *rancheros,* and the masked wrestler films that appealed to a largely urban, lower-class audience. In the end, the plan did nothing to further the development of Mexican cinema. Jenkins's monopoly ultimately bought out new distributors, and the import quotas were never carried out.[36] Of 4,346 films screened in Mexico between 1950 and 1959, over half were North American, and only 894 were Mexican.[37]

In 1958, the PRI elected a moderate, Aldolfo López Mateos. His *sexenio* is remembered for inaugurating a national economic and social crisis from which Mexico has never fully recovered. The centralizing policies of the previous administrations had resulted in a sharp division between a small upper class and an enormous lower class, a division exacerbated by López Mateos's policies. Poor peasants migrated by the thousands to urban slums in search of work, straining the infrastructures of major cities, keeping wages depressed, and escalating legal and illegal emigration into the United States.[38]

The total number of productions dropped to eighty-one in 1963.[39] According to Charles Ramírez Berg, this was due to three factors: "the increasing dependency of Mexico's film industry upon Hollywood [mode of narrational practice and mode of production]; the political economy of the Mexican film industry . . . , and the crisis in the state."[40] Hollywood films and Hollywood technical standards still dominated Mexican screens. While it was true that Mexican producers did not have anywhere near the capital their northern counterparts enjoyed, the major problem was that producers did not reinvest their profits back into the industry. This situation was exacerbated by a decrease in foreign markets as other Latin American film industries expanded and by the continuation of traditionally low box office ticket prices.[41] In 1960, the state bought out the Compañía Operadora de Teatros y el Circuito Oro, the group that controlled film exhibition throughout Mexico. However, this did nothing to change the low price of box office tickets that had remained stagnant since the 1940s. Another problem was the further economic and artistic consolidation of the industry: Most of the films produced between 1956 and 1965 were "financed by a few companies and filmed by a few directors."[42]

During the *sexenio* of Gustavo Díaz Ordaz (1964–70), both the state and private investors were still mostly concerned with recouping their investments. This was accomplished through the proliferation of the low-budget genres that proved to be extremely popular with the mass of cinema audiences. Production remained steady at ninety to one hundred films per year.[43]

In the 1960s, Mexico experienced the sociopolitical unrest that occurred in France and the United States. In Mexico, social discontent resulted in riots in Mexico City throughout the summer of 1968. By September, students from vocational schools and universities around Mexico City had united to form a National Strike Council, peasants and workers had joined forces with the students, and the police had taken thousands of prisoners. On October 2, students and workers demonstrated at the Place of Three Cultures in Tlatelolco, a demonstration calculated to bring the protest to an international audience poised to watch the Olympic games being held in the city in late October. Police and military troops opened fire on the demonstrators, and unconfirmed reports have estimated the number killed at between fifty and five hundred, with many more wounded and arrested.[44]

Two years later, Díaz Ordaz's secretary of the interior, Luís Echeverría Alvarez (1970–76), generally believed to have ordered the Tlatelolco attack, was elected president. Echeverría campaigned on a platform of populism and reform. In theory, he promoted the development of a strong film industry devoted to "national cinema." He supported the younger, more radical filmmakers who had been left out of the equation during the previous decade. The president's brother, Rodolfo Echeverría, an actor and a one-time union leader, was made head of the BNC. The intention of the administration was to finalize the nationalization of Mexican cinema, "open new routes, find new themes and topics, reduce censorship and fight against self-censorship."[45]

Echeverría also oversaw the creation of a national film archive, the Cineteca Nacional, under the administration of the institution that was in charge of censorship, the Dirección General de Cinematográfica. The state also set up three new production companies, Conacine, Conacíte I, and Conacíte II, and encouraged coproductions among these studios, private investors, film workers, and foreign companies. Between 1971 and 1976, the number of state-funded feature films increased from five to thirty-five, while privately funded films dropped from seventy-seven to fifteen as private investors refused to invest their money in "socially conscious films" that had little box office attraction.[46]

Thus, while Echeverría's *apertura* did open the doors for independent filmmakers, it did not translate into an economic revitalization for the Mexican film industry at large. The screenwriter Tomás Pérez Turrent attributes this failure to the continued low price of admissions that were frozen by state law, the unequal distribution of box office receipts with the largest share (42.5 percent) going to the exhibitors and almost nothing to producers to sink back into production, and the lack of control by the state and by newer producers over the distribution sector of the industry. Additionally, as indicated above, private investors had all but pulled out of the industry. In 1976, only thirty-five films were produced in Mexico, the majority through state co-production.[47]

President José López Portillo (1976–82) reactivated a policy of privatization, effectively reversing Echeverría's nationalization strategies. Pérez Turrent identifies these years as "the breakdown."[48] The BNC was formally dissolved, and its functions were transferred to a new state agency, the Dirección de Radio, Televisión y Cinematografía (RTC).[49] López Portillo appointed his sister, Margarita López Portillo, to head the agency. According to Mexican film historian Emilio García Riera, her tenure "was disastrous."[50] She immediately reduced state financing of films and closed down Conacíte I and II. Televicine Distribution International Corporation, the film production company owned by the powerful television giant Televisa, S.A. became Mexico's largest producer and distributor of films. After buying out the Spanish Theatrical Division of Columbia Pictures, which distributed Spanish-language films in the United States, Televicine controlled 40 percent of that market.[51]

Aggravated by a severe national economic crisis marked by pressures from international interests, inflation, and the devaluation of the peso, the state withdrew its financial support from the film industry. Repeating a seemingly inevitable pattern, private investors again moved back in to underwrite low-budget and lucrative comedies, soft-porn, and *narcotráfico* (drug traffic) films that had made them tidy profits in the late 1960s. The state financed only seven films in 1982, while private investors funded fifty-seven.[52] The tragic fire at the Cineteca Nacional in March of 1982, which destroyed thousands of films, documents, scripts, and photographs, metaphorically signaled the end of Mexican cinema.

Miguel de la Madrid assumed the presidency in 1982. Although over one hundred films were released during the first year of his *sexenio,* ninety-one in 1983, and seventy-four in 1988,[53] David R. Maciel describes this moment as Mexican cinema's "lowest point in history." Maciel attributes the state of the industry to the loss of its audience both at home and abroad, to corroborated evidence of "corruption and mismanagement" in the industry, and to the continued "promotion of foreign cinema," primarily Hollywood.[54]

The government's creation in 1983 of the Instituto Mexicano de la Cinematografía (IMCINE), whose role it was to manage Mexico's film policy, was hailed as a significant breakthrough for the international status of Mexican cinema. Also encouraging was the reopening and revitalization of the Cineteca Nacional in new quarters, which seemed to suggest to many that the state was again interested in sustaining and strengthening Mexican cinema. However, while IMCINE did help to finance and promote a few independent films, it had a very small budget and could only support one or two films per year. The institute's first director, filmmaker Alberto Isaac, reorganized the state-run production and distribution companies and the state film school, the Centro de Capacitación Cinematográfica (CCC), but proved to be a poor manager, more interested in making films than in overseeing a bureaucracy. The tenure of his successor, Enrique Soto Izquierdo, was riddled with corruption. Soto Izquierdo failed to implement a workable state film policy, and as a result, most of the films that saw any kind of fiscal success were low-budget "quickies" funded by private investors.

Contemporary Mexican Cinema and the Deterritorialization of Film

From Echeverría's *sexenio* until the latter part of the 1980s, the Mexican film industry managed to survive—not through private investment or because of box office support but through government intervention and support in all three sectors: production, distribution, and exhibition. However, this precarious existence was severely threatened with the election in 1988 of Carlos Salinas de Gortari, who was elected in one of the most highly contested races in postrevolutionary Mexican history. A Harvard-educated economist, Salinas was committed to a free market ideology, and in 1990 he began negotiating the North American Free Trade Agreement (NAFTA) with the United States. Salinas was more aggressive than de la Madrid in reversing long-held protectionist policies and reducing state participation in all sectors of the economy including film.

Ignacio Durán Loera, the new director of IMCINE, separated IMCINE from the RTC. He also attempted to increase state financing of production through the creation of the Fondo para el Fomento de la Calidad Cinematográfica (Fund for the Promotion of Quality Film Production). At the same time, he deinvested the state of its holdings in both exhibition and distribution. While Durán was able to solicit coproduction financing from Spain and other foreign investors, it was not enough to keep the industry afloat. State-owned studios and movie houses shut down at the same time that private investors withdrew from the industry. Film production dropped from one hundred films in 1989 to thirty-four in 1991.[55] The next few years witnessed the closing of Conacine and Conacíte II, the sale of Churubusco Studios, and the final privatization of film exhibition and public television. Concurrently, Hollywood's share of Mexico's screen time jumped from 53 percent in 1990 to 69 percent in 1992.[56] Ironically, this was occurring while Mexican films were enjoying unprecedented international acclaim.

The privatization of the film industry, the devaluation of the peso, another economic crisis, and the *sexenial* change of administration in 1994 again put the future of Mexican filmmaking in jeopardy. Additionally, in the same way that television had adversely affected the box office in the 1950s, the growth of low-budget video productions made for direct release to the home video market greatly affected the film industry's profit margin. The proliferation of VCRs and made-for-TV movies meant that Mexican audiences stayed home and that box office receipts tumbled. The closing of movie houses and the concurrent increase in the purchase of televisions and videocassette players has changed not only the nature of film viewing but also the content. While Hollywood did dominate Mexico's screens before the "video revolution," at least Mexican audiences supported their own films.

Today, most of the videos in Mexico are imported from Hollywood, while Mexican cinema available on videocassette is limited to films produced during the golden age of Mexican cinema.[57] Additionally, as during the first decade of cinema, it is not only the "software" that is imported. Mexico still must import most of its media hardware, including cable electronics, signal converters, VCRs, and professional and consumer video production and editing equipment.

Thomas Elsaesser notes that while the United States is still the central figure in the future global development of all media, the continuing concentration of ownership of delivery systems (satellites, cable) "are effectively squeezing out whatever resists or does not fit into the global concept."[58] Capital, production, and distribution, and even legislation, operate at an international level, dominated by the relationships of multinational corporations that are no longer linked to specific nations.[59] The Mexican film industry is competing not just with American films or French films but with multinational coproductions: Films are financed by the Japanese, produced by the French, and distributed to international audiences by American companies partly owned by the Japanese. Similarly, markets for films are international in their demographics. For example, a significant trend in film coproductions between European nations and the United States is to produce in English in order to reach the "largest" audience at the "least" cost.

With the rise of transnational industries and audiences, developing countries are inexorably tied to advanced countries and to transnational companies whose profits are dependent on the exploitation of global markets. To protect its access to these global markets, the United States has long advocated a policy of international free trade, discouraging protectionism as "giving unfair advantage against foreign competitors."[60] Smaller nations, like Mexico, are forced into accepting this policy because of their overall dependency on the U.S. market for both imports and exports.

The future of "national" cinemas seems grim. Where are the global niches for small industries? How can Mexican or Senegalese or Caribbean cinemas reach a transnational audience and still be specifically "Mexican" or "Senegalese" or "Caribbean"? Nestor García Canclini argues that it is not only capital and information that have become "deterritorialized." He writes that the "new modalities of organization of culture and of hybridization of the traditions of classes, ethnic groups, and nations require different conceptual instruments."[61] The idea of a "Mexican nation" or, for that matter, the idea of any nation has a different currency today than it did fifty or even twenty years ago. Together with the ease in which labor, money, and products cross borders, there has been what García Canclini calls a "deterritorialization of symbolic processes" or a move from the "public space to teleparticipation." National citizens are no longer connected by daily interactions or even yearly rituals. "The public sphere is no longer the place of rational participation from which the social order is determined."[62]

A Mexican cinema that promotes the "myth of a Mexican nation" as a community of individual subjects united by a common history, shared religious, philosophical, and political convictions, and/or genetic attributes can no longer be sustained in the face of the above processes. Mexicans no longer live only in Mexico. Mexico is no longer populated only by Mexicans. Mexican filmmakers no longer make films only in Mexico with Mexican money for Spanish-speaking audiences.[63] Given these migrations, deterritorializations, and reterritorializations, might the idea and possibility of a Mexican "national" cinema be obsolete?

García Canclini's response is that in order for Mexico's national cinema to survive, the state must reconsider its status "as a locus of public interest, as arbiter or guarantor of the collective need for information, recreation, and innovation" in the face of questions of commercial profit.[64] Indeed, if we look back at the complex history of Mexican cinema, it is clear that state intervention and protectionist policies are what bolstered the industry during economic and social crisis. While it was never a question that these policies necessarily translated into higher production quotas or increased profits, they did sustain a cinema devoted to various elaborations of Mexican histories and Mexican identities.

In response to new conceptions of the national, it is necessary to develop new conceptions of the notion of cinema as well as a relocation of the cinematic. Given contemporary technologies of production, distribution, and exhibition, "films" that explore new forms of national and other identities can be made and distributed with minimal investments through video, satellite, and computer technologies. Lower investments mean that exorbitant returns are not necessary. Producers and distributors can aim for narrower, more local audiences and thus do not have to compete in global markets. While it is not within the scope of this paper to discuss narrative and aesthetic concerns, it is evident that these conventions will also need to be modified in order to "fit" into new modes of production and reception.[65]

Notes

1. Carlos Monsiváis, "Mexican Cinema: Of Myths and Demystifications," in *Mediating Two Worlds: Cinematic Encounters in the Americas,* ed. John King, Ana M. López, and Manuel Alvarado (London: British Film Institute, 1993), 142.
2. Aurelio de los Reyes, "The Silent Cinema," in *Mexican Cinema,* ed. Paulo Antonio Paranaguá (London: British Film Institute, 1995), 64.
3. Carl J. Mora, *Mexican Cinema: Reflections of a Society, 1895–1980* (Berkeley: University of California Press, 1982), 7–8.
4. Alexander Pineda and Paulo Antonio Paranaguá, "Mexico and Its Cinema," in *Mexican Cinema,* ed. Paulo Antonio Paranaguá (London: British Film Institute, 1995), 15–18.
5. de los Reyes, 67.
6. Salvador Toscano Barragan released *Don Juan Tenorio* in 1899, and the Alva Brothers produced *El Grito de Dolores* (The Shout of Dolores) in 1908 and *El súplico de Cuauhtémoc* (The Torture of Cuauhtémoc) in 1910. However, out of more than 230 films produced in Mexico between 1896 and 1906, approximately 200 of those were classified as *reportajes* or *documentales.* See Juan Felipe Leal, Eduardo Barraza, and Alejandra Jablonska, *Vistas que no se ven: Filmografía Mexicana, 1896–1910* (Mexico City: Universidad Nacional Autonoma de México, 1993), 11.
7. de los Reyes, 69. The Mexican Revolution was documented by an army of roving cameramen competing to "offer the most complete documentaries of the events of the Revolution" (67). For example, in 1915, Salvador Toscana and Enrique Echániz Brust released their three-hour-long *Historia completa de la Revolución de 1910–1915.* See Alexander Pineda and Paulo Antonio Paranaguá, 19–21.
8. See Roy Armes, *Third World Film Making and the West* (Berkeley: University of California Press, 1987); Kristin Thompson, *Exporting Entertainment: America in the World Film Market, 1907–34* (London: British Film Institute, 1985); Jorge Schnit-

man, *Film Industries in Latin America: Dependency and Development* (Norwood, N.J.: Ablex Publishing, 1984); and Janet Staiger and Douglas Gomery, "The History of World Cinema: Models for Economic Analysis," *Film Reader 4* (1979).

9. In 1927, Sidney R. Kent, general manager of the Paramount-Famous-Lasky Corporation, noted that "out of every dollar received, seventy-five cents comes out of America and only twenty-five cents comes out of all the foreign countries combined." However, "the profit in these pictures in that last twenty-five percent." See Sidney R. Kent. "Distributing the Product," in *The Story of Films*, ed. Joseph P. Kennedy (Chicago: A. W. Shaw Co., 1927), 228.
10. Fred Fejes, "The U.S. in Third World Communications: Latin America, 1900–1945." *Journalism Monographs* 86 (1983): 3. Donald M. Dozer notes that "at the end of 1929, the book value of United States direct investments in Latin America . . . was more than twice the value of its investments in any other geographical area of the world." See Donald M. Dozer, *Are We Good Neighbors?: Three Decades of American Relations, 1930–1960* (Gainsville: University of Florida Press, 1959), 9.
11. de los Reyes, 71.
12. Emilio García Riera, *Historia documental del cine mexicano, 1926–1940*, vol. 1 (Mexico City: Ediciones Era, 1969), 10.
13. According to Ian Jarvie, "[T]he aim of the United States after 1917 was to consolidate its dominance of the international trade in films and to defeat foreign attempts at protection." Ian Jarvie, *Hollywood's Overseas Campaign: The North Atlantic Movie Trade, 1920–1950* (Cambridge: Cambridge University Press, 1992), 6.
14. Suzanne Mary Donahue, *American Film Distribution: The Changing Marketplace* (Ann Arbor: UMI Research Press, 1987), 143–53.
15. By 1928, 90 percent of all films exhibited *throughout* Latin America were produced in the United States. Jorge A. Schnitman, 17.
16. U.S. Department of Commerce, Bureau of Foreign and Domestic Commerce, Motion Picture Division, "Motion Pictures in Mexico, Central America, and the Greater Antilles," *Trade Information Bulletin*, no. 754 (1931): 2–4.
17. *Film Daily Yearbook (FDY)*, 1930, 1035.
18. *FDY*, 1930, 1035–36.
19. *Motion Picture Herald (MPH)*, 8 June 1935, 89.
20. Jorge Schnitman, 16–17.
21. In comparison, Chile produced 54 silent films between 1902 and 1932, and Brazil produced 1,685 between 1898 and 1930. See Roy Armes, 166–67.
22. Alejandro Galindo, *El cine Mexicano: un personal punto de vista* (Mexico City: Editores Asociados Mexicanos, S.A., 1985), 26.
23. Eduardo de la Vega Alfaro, "Origins, Development, and Crisis of the Sound Cinema (1929–64)," in *Mexican Cinema*, ed. Paulo Antonio Paranaguá (London: British Film Institute, 1995), 82.
24. García Riera, *El cine Mexicano* (Mexico City: ERA, 1963), 25.
25. Quoted in Alfaro, 84.
26. In 1939, Hollywood was dependent on export markets for 35 percent to 40 percent of its film rentals. See *MPH*, 18 March 1939, 17.

27. In exchange, the United States "demanded the production of films promoting the ideology of pan-Americanism and the Allied cause." See Alfaro, 88.
28. John King, *Magical Reels: A History of Cinema in Latin America* (London: Verso, 1990), 53.
29. *MPH*, 2 February 1935, 17.
30. *MPH*, 25 August 1935, 69.
31. Gaizka S. de Usabel, *The High Noon of American Films in Latin America* (Ann Arbor: UMI Research Press, 1985), 206. Jenkins was an American businessman who had realized early on the potential of investing in the Mexican film industry. He had been a vice-consul in Mexico and had gotten into the business of film distribution and exhibition in the city of Puebla. Through his connections with a number of wealthy Mexican businessmen and his financial connections to the BNC, Jenkins gained domination over a majority of the film exhibition in Mexico, eventually controlling over 80 percent of that sector of the industry. See Alfaro, 91.
32. Alfaro, 88.
33. Alfaro, 88–89.
34. Gustavo García, *La Década Perdida: Imagen 24 x 1* (Mexico City: Universidad Autonoma Metropolitana, 1986), 22.
35. Mora, 98.
36. Mora, 23.
37. Mora, 24.
38. Mora, 173. According to James D. Cockcroft, "[B]y the mid-1970s California farmworkers were making eight times as much as their Mexican counterparts." See Cockcroft, *Mexico: Class Formation, Capital Accumulation, and the State* (New York: Monthly Review Press, 1983).
39. García Riera, *Historia documental del cine Mexicano,* vols. 7 and 8. Figure quoted in Mora, 104.
40. Charles Ramírez Berg, *Cinema of Solitude: A Critical Study of Mexican Film, 1967–1983* (Austin: University of Texas Press, 1992), 37.
41. Ramírez Berg, 38–41. García Riera notes that while salaries went up significantly, admission prices at the box office remained extremely low—around four pesos. See García Riera, *Historia del cine mexicano* (Mexico City: Ed. SEP, 1986), 270.
42. Alfaro, 91. In the midst of this social and economic crisis, Mexico witnessed the emergence of an independent cinema movement, fostered by the inauguration of Mexico's first film school, Centro Universitario de Estudios Cinematográficos (CUEC) at the Universidad Nacional autónoma de México in Mexico City (UNAM), which opened in 1963. Mexico also witnessed the first national film festival devoted to experimental film in 1964 (with a second transpiring in 1967) and the formation of El Nuevo Cine in 1961, a group of independent filmmakers and film critics influenced by French "New Wave" filmmaking and critical film theories.
43. García Riera, *Historia del cine Mexicano,* 270.
44. A documentary, *El grito* (The Shout), made by film students and narrated by the Italian journalist Oriana Fallaci was released shortly after the Tlatelolco massacre.
45. Tomás Pérez Turrent, "Crises and Renovations, 1965–91," in *Mexican Cinema,* ed. Paulo Antonio Paranaguá (London: British Film Institute, 1995), 100.

46. García Riera, *Historia del cine Mexicano,* 296.
47. Pérez Turrent, 102–3.
48. Pérez Turrent, 104.
49. Pérez Turrent writes: "[T]hus the same institution that was in charge of censorship was also entrusted with the protection of film culture." See Pérez Turrent, 104.
50. García Riera, *Historia del cine Mexicano,* 323.
51. According to Carl J. Mora, the U.S. Hispanic market "represented 40% of Mexico's film export sales . . . that brought in $45 million a year." See Mora, 140.
52. García Riera, *Historia del cine Mexicano,* 323.
53. Pérez Turrent, 109.
54. David R. Maciel, "The Cinematic Renaissance of Contemporary Mexico, 1985–1992," *Spectator* 13.1 (1992). Maciel also points out that the "federal law which states that 79% of all screen time be allocated to Mexican films has never been fully enforced" (71).
55. Pérez Turrent, 111.
56. UNESCO, Statistical Yearbook, 1994, quoted in Randal Johnson, "Film Policy in Latin America," in *Film Policy: International, National, and Regional Perspectives,* ed. Albert Moran (London: Routledge, 1996), 132.
57. Tino Balio noted that "the largest revenue components for Hollywood product overseas" is video. Foreign videocassette sales more than doubled between 1985 and 1989. See Balio, "Adjusting to the New Global Economy: Hollywood in the 1990s," in *Film Policy: International, National, and Regional Perspectives,* ed. Albert Moran (London: Routledge, 1996), 25.
58. Thomas Elsaesser, *New German Cinema: A History* (New Brunswick, N.J.: Rutgers University Press, 1989), 314.
59. Elsaesser notes, for example, that Robert Maxwell, Rupert Murdoch, and Ted Turner, among others, are "busy lobbying governments to amend restrictive legislation." See Elsaesser, 315.
60. Thomas Guback, *The International Film Industry: Western Europe and America since 1945* (Bloomington: Indiana University Press, 1969), 1.
61. Nestor García Canclini, *Hybrid Cultures: Strategies for Entering and Leaving Modernity,* trans. Christopher L. Chiappari and Silvia L. López (Minneapolis: University of Minnesota Press, 1995), 206. By "deterritorialization," García Canclini means two things: "the loss of the 'natural' relation of culture to geographical and social territories and, at the same time, certain relative, partial territorial relocalizations of old and new symbolic productions." These processes occur at different rates and at different moments in various locations. What occurs during deterritorialization is not reducible to "cultural imperialism" in a global arena. Instead, what transpires is a "rearticulation between the national and the foreign" through processes of "multidirectional migrations" of people, capital, and material and symbolic goods (229–30).
62. García Canclini, 207–8.
63. Take, for example, *Cabeza de Vaca* (Nicolás Echeverría, Mexico, 1991), a made-for-television movie based on the journals of Spanish conquistador Albar Núñez Cabeza de Vaca (published as *Naufragios* [in English, *Adventures in the Unknown*

Interior of America]). The film is a renarrativization of the Spanish conquest of Mexico, which has been the founding myth of the Mexican nation. *Cabeza de Vaca* took ten years to finish and was finally completed as a coproduction between Mexico and Spain in association with Channel Four (Britain) and PBS and was broadcast in 1991 as part of the American Playhouse Theater series. See Joanne Hershfield, "Assimilation and Identification in Nicholás Echeverría's *Cabeza de Vaca,*" *Wide Angle* 16.3 (1995): 7–24, for an analysis of the film's destabilization of individual and national identity.

64. García Canclini, 268.
65. Thomas Elsaesser has defined the tension between profits and nationality as the "incompatible objectives of a national cinema—to be economically viable but culturally motivated." See Elsaesser, 3.

19

Canada

Peter Morris

"As Canadian as . . . possible . . . under the circumstances" has been suggested as a parallel to "as American as apple pie" and similar aphorisms.[1] Although this phrase is often used ironically by Canadians, it also contains, as ironies do, a hidden truth. Canadian culture developed amid contradictions that forced compromises, that in turn generated further contradictions. As one historian has noted, Canada is a country that rests "on paradoxes and anomalies, governed only by compromise and kept strong only by moderation."[2] The Canadian film industry is a case in point.

In the first place, whether one considers Canadian film in its historical or contemporary dimensions, it cannot be considered a single cinema. In other words, it is not a "national cinema" in any sense that term would be understood in Europe or Asia. This can be seen most clearly in that no single national center of production has ever developed in Canada. Since the earliest years, production has been spread across the country, literally from sea to sea. This persistence of regionally based production must be considered one of the defining characteristics of film in Canada.[3]

Two other factors have conditioned its historical development. Firstly, unlike the film industries of countries with comparable populations, the film industry in Canada is not protected by its national languages. Canada shares common languages with three of the most influential film producing countries in the world. Secondly, Canada lives alongside the world's most economically powerful film industry. Since the 1920s, Canada has been considered by Hollywood part of its domestic market. These factors have generated for the film industry a constant struggle to secure an equitable share of its own market. They also created a climate in which production was even more hazardous an enterprise than usual. It was not until the 1970s that an industrial base for film was established in Canada. Even today, there is no centralized studio system comparable to that typically found in most countries. In the early years, activities were scattered across the country, the result of individual, uncoordinated efforts. Production was quite distinct from distribution and exhibition. Both federal and provincial governments actively resisted intervening to protect the industry until 1968. Even today, production is spread across the country. The cities of Toronto, Montreal, and Vancouver are major production centers, but feature films are also produced in such cities as Winnipeg, Halifax, and Edmonton. Although this could be said to derive from views of Canadians about their own country, it is also consciously fostered by cultural policies

Yet, despite economic difficulties in the early years, there were people who persisted in producing both feature and short films for theatrical release. Even though an insistence on regionally based production made access to markets difficult, even though there was a lack of state support, even though the major distribution companies were Hollywood controlled, there were filmmakers determined to create films in Canada. For example, by 1939, Canada had produced some sixty feature films and already had a reputation abroad for effective documentaries—and that was before the establishment of the National Film Board of Canada (NFBC). By 1964, twenty-five years later, sixty more features had been produced, and another hundred were released before the end of the decade. Since then, a range of funding and tax policies have encouraged production activity on a scale that earlier filmmakers could scarcely have imagined. Although feature film production remains problematic, production for television has grown to the point where Canada is now the world's second largest exporter of television programs after the United States.

The Early Years

Films were first screened in Canada in the summer of 1896, first in Montreal and then in Ottawa and Toronto; both the Lumière *cinématographe* and the Edison Vitascope were used. The earliest Canadian films were made in 1898 by James Freer, a Manitoba farmer, who photographed life on the prairies. His films were shown with great success in London, England, in 1899, under the auspices of the Canadian Pacific Railway (CPR). These films were used to promote immigration to Canada and were so successful that the railway company decided to sponsor its own productions. In 1902, it financed the British Charles Urban company to produce a series of films called *The Living Canada* series. This group also made the first dramatic film in Canada: *"Hiawatha," The Messiah of the Ojibways,* directed and photographed by Joe Rosenthal. In 1910, the Canadian Pacific Railway somewhat more ambitiously financed a series of short dramatic films from the Edison Company.

These thirteen films were as much designed to celebrate the special virtues of settling and living in the Canadian West as were their documentary predecessors. A typical story depicts an American hero finding fame and fortune (sometimes by marrying a rich man's daughter) in the Canadian West. Only a few of the *Living Canada* series and the later dramas have survived.[4]

The CPR's use of film as a tool to promote immigration is characteristic of production in Canada generally through about 1912. These films, financed by Canadians but usually made by non-Canadians, were promotional films designed to sell Canada abroad. Those few Canadians who made their own films usually did so only by producing actuality films. In the same period, American producers began a practice that continued at a high level through the 1950s, that is, filming stories apparently set in Canada but almost invariably featuring wilderness, snow, Indian trappers, villainous half-breeds, and heroic "Mounties." Despite Canada's best efforts to project its own image, it was the images of "Hollywood's Canada" that became dominant worldwide.[5]

The moribund state of indigenous production, however, improved considerably after 1912. Between then and 1918, several film companies were established—in Montreal, Toronto, Windsor, and Halifax—whose principal aim was the production of dramatic entertainment films (and, not incidentally, beginning the tradition of regionally based production that has persisted to this day). For example, the first feature-length film was made in Halifax when the Canadian Bioscope Company produced *Evangeline* in 1913. This film, based on the famous poem by Longfellow about the British expulsion of the Acadians from the Maritimes, was both a critical and commercial success. Unfortunately, the company made only a few more films before the it was disbanded in 1915.

It is interesting to note the thematic emphasis in these early films: Canada and, in particular, Canada's own history. This was to be continued over the next few years as other features and dramatic short films were produced and the first all-Canadian newsreels appeared.

This flurry of production activity was, in part, a response to a self-conscious nationalism generated by the war—at least in English-Canada. There was an evident interest by Canadians in seeing themselves and their own stories on the screen. In fact, the period from 1916 to 1922 was to be the most active one in Canadian film history until the 1960s. At least thirty-six film companies were established during this period. It was also at this time that the federal government established its Motion Picture Bureau to make documentary films. Several provinces, notably Ontario, also began similar production activities. (The Canadian Government Motion Picture Bureau was the predecessor of the NFBC and equally successful, at least in its early years.) However, even during this active period, no single major production center emerged, and all the active companies were scattered across the country.

Perhaps the most successful producer of the time was Ernest Shipman, a colorful character whose production methods also exemplify the regionally based, individually financed system characteristic of Canadian production. "Ten Per-Cent Ernie," as he was known, had already established himself as a promoter in the United States when he returned to Canada in 1919 with his author-actress wife, Nell Shipman, to produce *Back to God's Country* in Calgary. This key Canadian classic, with its air of romantic naturalism and its activist heroine, was based on a story by James Oliver Curwood (an American author who specialized in adventure stories set in a fanciful Canada) but was substantially rewritten by Nell Shipman. *Back to God's Country* was a considerable domestic and international success, returning a 300 percent profit to its Calgary backers. On the strength of his success in Calgary, Ernest Shipman was to travel across Canada for the next four years, attempting to repeat the experience though never again matching the profits of that first production. Setting up companies in Winnipeg, Ottawa, and Sault Ste. Marie, he produced films based on the novels of such Canadian writers as Ralph Connor and Alan Sullivan. All of them were filmed on location, not in studios—a hallmark of his approach, as Shipman declared. His later productions were not as profitable as his first film but were far from failures. Only his last film, *Blue Water* (1923), made in New Brunswick, was a disaster. Shipman left Canada and died less than ten years later.

The end of Shipman's activities coincided precisely with the collapse of the film industry in Canada in 1923. Only two features were in production in 1923—in contrast to nine in 1922—and even the production of short films (including newsreels) showed a sharp decline. And the film industry's collapse coincided in turn with Hollywood's international expansion and control of other national film industries. The film industry in Canada was not alone in falling under Hollywood domination. But it perhaps suffered more quickly and more severely than did those of the European countries. In any case, it was at this time that Canadian theaters came under Hollywood control, that Canadian box office receipts were included under domestic receipts for the United States, and that Canadian feature production ceased.[6] Throughout the 1920s, film production was restricted to the Canadian and Ontario governments' film bureaus and to a handful of commercial companies, whose work was principally the production of industrially sponsored documentaries.

Not coincidentally, the film industry's decline in 1923 was paralleled by a noticeable increase in the production of films with Canadian content that were made in Hollywood.

Feature film production did not revive until the 1930s. And even that was the result of artificial stimulation, when British law required that their movie theaters had to show a certain number of films produced in Britain or the British Commonwealth.

Only one feature film of this period remains memorable: *The Viking*, produced in Newfoundland in 1930–31 by an American, Varick Frissell, and, in legal terms at least, not a Canadian production. *The Viking* is a dramatized documentary on the hazardous life of Newfoundland's seal fishermen and is another example of that characteristic Canadian genre—films blending fiction and nonfiction to explore the relationship between a people and their environment.

If one examines the films made in Canada during this early period, there is nothing like the same coherence of output that one sees in Hollywood films with Canadian content. Hollywood saw Canada with an almost mindless simplicity as a land of ice and snow, mountains and Mounties. Production in Canada was less clearly defined, and the films, although they included some stereotypical Canadian stories, offered a wide diversity of content, running from domestic comedies to anti-Bolshevik dramas and war films. If there was a definable quality—and it was a tentative one—it lay in relating fiction and reality, in the idea that stories should be filmed not on sets but in natural locations. Such an approach, marked by a strong sense of place and visual atmosphere, characterized many of the most successful films of the period, notably those of Ernest Shipman. However, it is also an approach that largely vanished from the film scene in Canada until the renaissance of the feature film industry in the 1960s.

However, in the late 1930s that approach was scarcely evident. In fact, production generally was at minimal levels in both quantity and quality. The commercial film industry was virtually nonexistent, Ontario had disbanded its Motion Picture Bureau, and even the once vital federal Motion Picture Bureau had lapsed into sterility. Apart from the uncoordinated activities of a few individuals scattered across the country, a sense of continuing creative vitality was found in only one commercial producer of inventive short films.

The arrival of John Grierson in 1938 transformed film in Canada; his influence conditioned film policy for more than twenty years. The NFBC was designed by John Grierson in 1938–39, fashioned by him during the war, and grew from a modestly planned coordinating agency into one of the world's largest film studios, with a staff of nearly eight hundred in 1945. Not the least of Grierson's achievements during his tenure was the training of a talented group of young filmmakers. It is indisputable that for more than two decades the NFBC provided the principal focus for film production in Canada. New production companies were established alongside earlier ones. And, after 1953, television became an increasingly important focus of activity. But the NFBC continued to win international awards and to offer the best, if not only, training ground for numerous filmmakers who gained their first experience there. Indeed, one could argue that the NFBC became, in effect, Canada's first "art cinema," offering an alternative to the Hollywood films that dominated Canadian theaters. (Perhaps surprisingly, this view was certainly reflected in newspapers and magazines of the time, in which there are not only constant references to the high quality of NFBC films but also identification of the filmmakers as "artists.") Yet, at the same time, the NFBC had a hegemonic influence on film culture in Canada, and internationally, Canadian films were almost invariably assumed to be NFBC productions. As the heir to Grierson's dedicated commitment to the information film, the NFBC often seemed to stand like a bulwark against all attempts to develop a narrative oriented feature film industry.[7]

John Grierson himself was adamantly opposed to the development of a feature film industry in Canada. Grierson wrote that because of Canada's small population and proximity to the United States, "it must indefinitely remain a mere colony of the United States from a commercial film point of view." According to Grierson, feature film production was economically impossible not only because of Hollywood's economic domination but also because Canada lacked the specialized talents of "mass showmanship." He argued that Canadians who wanted to make feature films should move to New York or Hollywood. (Many did so in the 1940s and 1950s.) Grierson also strenuously opposed proposals for a film quota of Canadian films in Canadian theaters and suggested Canada should encourage Hollywood producers to make features with Canadian themes or locations.[8]

Grierson's arguments certainly helped condition government action on these issues in the immediate postwar years. At this time (as after World War I), a renewed sense of nationalism revived interest in developing a feature film industry. While Grierson was correct in stating that Canada lacked the necessary infrastructure for a film industry, he failed to note the measures that might be taken to stimulate production and loosen the control of Hollywood. Others, however, argued in favor of such measures as a quota system, a tax on the millions of dollars Hollywood annually exported from Canada, or some form of import controls. When Canada faced a U.S.-dollar crisis in 1947–48 and moved to block the export of U.S. dollars from certain industries, there were some who saw this as a golden opportunity for the film industry. It was suggested that a portion of Hollywood's earnings in Canada should be used to directly subsidize the production of feature films in Canada. Hollywood's response to this possible threat to control or tax its box office revenues in a part of its "domestic market" was typical. Under the guise of what was oddly called the "Canadian Cooperation Project," Hollywood offered the Canadian government a special arrangement. In return for the government's agreeing not to tax or divert any of Hollywood's Canadian earnings to stimulate feature film production, the Motion Picture Association of America agreed to film some of their features on location in Canada, to insert favorable references to Canada into their scripts to promote tourism, to provide more complete newsreel coverage, and to encourage the theatrical release of NFBC short films in the United States.[9]

Although the project was hypocritically sold to the public as a boost for film production in Canada, it is clear that Hollywood never had any intention of increasing production in Canada. Its purpose was exactly the opposite, and from this point of view, it was remarkably effective. At the modest cost of filming a few features (such as *The Iron Curtain, I Confess,* and *The 13th Letter*) on location in Canada and inserting occasional lines of dialogue about Canada in some others, it prevented any controls on Hollywood earnings and suppressed another drive toward an indigenous and stable feature film industry. Once again, in 1948 as in 1923, film production outside Quebec became largely limited to that by government or by those making sponsored short films. Once again, in the 1950s as in the 1930s, the earnings by Hollywood companies in Canada increased year by year.

There was an unprecedented expansion of feature film production (mainly in the French language) in Quebec in the postwar years. Though the films were very popular in Quebec, they were hardly noticed outside the province.[10] However, production elsewhere was sporadic and less definable. Occasional spurts of activity were heralded by claims that at last a stable film industry would be established. But many projects that were announced failed to reach fruition. In fact (apart from English-language production in Quebec), only one feature was released before 1957. That was *Bush Pilot* (1946), a romantic aviation melodrama directed by Sterling Campbell, who had worked in Hollywood as a technical director on aviation films.

At the same time, the NFBC continued to grow in strength and stature. It pioneered developments in social documentary, animation, documentary drama, and direct cinema and was a continuing initiator of new technology. Its films won hundreds of national and international awards. In the years following Grierson's departure in 1945, production expanded into new areas. The first dramatic films were made, new techniques were explored in both animation and the information film, and production for television was initiated. Filmmakers paid more attention to style and technical polish, and new approaches were developed that were more intimate in tone than the didactic style of the war years. These developments were most clearly evident in the work of one production group, Unit B, headed by Tom Daly. Under Daly's leadership, such filmmakers as Colin Low, Wolf Koenig, Roman Kroitor, Gerald Potterton, Bob Verrall, Don Owen, Arthur Lipsett, and, not least, Norman McLaren evolved new approaches to documentary and animation with a recognizable thematic orientation. Their work led, in the late 1950s, to the world's first consistent use of direct cinema in the *Candid Eye* television series and its later application to such fiction feature films as *Nobody Waved Good-Bye* (Don Owen, 1964) and *Le chat dans le sac* (Gilles Groulx, 1964).

During this same period, the NFBC moved its studios from Ottawa to Montreal. This move in 1956, together with the demands of television production, catalyzed a major expansion in original French-language production. This was a development that had significant implications in the future. It was these young filmmakers who, in the 1960s, became the first artistically viable French-language producers in Quebec. Among them were such well-known names as Claude Jutra, Gilles Carle, Gilles Groulx, Denys Arcand, and Jean-Pierre Lefebvre.[11]

New Directions

It was only in 1957 that feature film production was undertaken in any meaningful way. In Toronto, between 1957 and 1959, three directors made "first features," then second features, creating something of a mini-boom for the film industry and heralding the major growth that lay ahead in the 1960s. Sidney Furie, a then twenty-four-year-old writer for CBC television, originally designed *A Dangerous Age* (1958) as a television drama before deciding to transform it into a feature film. It was shot with a nonunion crew during one week on location and four days in the studio. The film's theme of young people rejecting the system—though ultimately not its values—was echoed in Furie's second feature, *A Cool Sound from Hell* (1958), which, like the first, Furie also wrote and produced. It also received favorable reviews abroad and helped establish him as a director of promise. However, when it too received minimum critical attention and virtually no release in Canada, Furie left to work in London. He has never worked since in Canada.

Director William Davidson and writer Norman Klenman had discovered a shared interest in filming dramas while working at the NFBC; both believed that Canadian literature was a major untapped source for feature films. They purchased the rights to four short stories by Morley Callaghan and raised financing to produce a feature film, *Now That April's Here* (1958). It is an appealing film that did not deserve its fate—to sit, unseen by audiences, on the shelf of its distributor. Davidson and Klenman turned to a subject they were assured would be more marketable. *Ivy League Killers/The Fast Ones* (1959), an action melodrama about a motorcycle gang, was designed specifically for drive-ins and the so-called "teen market." Again, because of contractual confusions, it remained unreleased in Canada for some five years. Though both Davidson and Klenman continued to work in television, Davidson did not direct another feature for almost twenty years.

Julian Roffman was the most experienced of the three filmmakers involved, having begun his career on *March of Time* in the 1930s and later working at the NFBC during the war. He had also worked in television in New York before returning to Toronto in 1954 to establish his own company. His first feature, *The Bloody Brood* (1959), was deliberately designed for the drive-in and "double bill" market. Although the U.S. release was delayed because the film was refused approval by the authorities for the Hollywood code, it finally did reasonably well at the box office. Roffman later made *The Mask/The Eyes of Hell* (1961), the first and only 3-D feature made in Canada. Roffman's later career was as producer or executive producer on such films as *Explosion* (1969) and *The Pyx* (1973).

There were other features made at the time whose makers impress one at least, by their ingenuity, audacity, and persistence if nothing else. For example, Arthur Kelly made three short features mixing documentary and fiction that were not well received by Canadian critics but were all commercially successful. Luigi Petrucci made *It Happened in Canada* (1961)—a story of Italian immigrants in Toronto—which he directed, wrote, photographed, and edited. Although the film had a few screenings in Toronto, its only general release was in Italy. Lindsay Shonteff established his later filmmaking career in Britain and the United States by making a cheap Western, *The Devils' Spawn/The Hired Gun* (1959), a film he edited in his own home.

What should have proved a more promising development for the film industry took place in Vancouver when Oldrich Vaclavek, using Canadian and British financial capital, established Commonwealth Productions in 1961. A new $1.5 million studio and sound stages (Panorama Studios) were built in Vancouver by Commonwealth and associated companies. The first feature, written and directed by James Clavell, was *The Sweet and the Bitter* (1962), a convoluted and contrived melodrama about Japanese-Canadians. Its release was delayed when the company ran into legal and financial difficulties and had to vacate Panorama Studios. It fared badly, both with critics and at the box office; none of the other films that had been planned were ever produced.

The saga of Commonwealth Productions is a clear echo of the fate of so many earlier failed attempts to develop viable and continuing feature film productions. However, what was also clear in 1961 was the persistence of a dogged determination that the production of feature films should be an acceptable form of cultural self-expression in Canada. This determination was manifested in two different forms—forms whose dialectic has formed a kind of leitmotif for film in Canada ever since. The first, shaped by an industrialized model of production, is exemplified by Commonwealth Productions' *The Sweet and the Bitter,* Crawley Films production of *Amanita Pestilens* (1963) and *The Luck of Ginger Coffey* (1964), and even the National Film production of *Drylanders* (1963). It was this industrialized approach that came to dominate production during the 1970s.

The other approach, very much influenced at the time by the French New Wave, was to become more characteristic of film in Canada in the 1960s. And it was to return to prominence again in the 1980s.

In the 1960s, the films of Quebec directors such as Claude Jutra, Jean-Pierre Lefebvre, Gilles Carle, Gilles Groulx, and Denys Arcand were artistically innovative, popular with Quebec audiences, and well received internationally. Outside Quebec, films such as Larry Kent's first features in Vancouver, *The Bitter Ash* (1963) and *Sweet Substitute* (1964), Don Owen's *Nobody Waved Good-Bye* (1964) and *The Ernie Game* (1967), and David Secter's *Winter Kept Us Warm* (1965) brought a sense of creative passion and a breath of fresh air into film in Canada. But although these films, and other works of quality, such as Paul Almond's *Isabel* (1967) and Allan King's *A Married Couple* (1969), were well received by critics at home and abroad, they still failed to reach large audiences through the movie theaters. Canadian films—both then and now—have never exceeded 2 percent to 4 percent of screen time in Canadian movie theaters. Through their block booking policy, the leading American producer-distributors controlled almost all of the screen time available in the Canadian first-run market. Experience has shown that the Hollywood majors continue to fight hard to maintain this control, even to the point of directly opposing Canadian government policies.[12] Although the 1960s saw a dramatic upswing in the number of features being produced and increasing critical recognition abroad, it was a difficult period for the industry as a whole. The difficulty in gaining access to Canadian theaters was frustrating, and uncertainties over financing led to sporadic and uneven production.

Art and Commerce

Only in 1968, when the federal government moved to assist the industry by establishing the Canadian Film Development Corporation (now Telefilm Canada), was there any amelioration of the financing problems. Distribution and access to Canadian theaters for feature films, however, remained disappointingly unresolved. And that continues to be the case even today, despite numerous studies, reports, and proposals.

However, in the 1970s, another trend in the industry was apparent. Influenced by Telefilm Canada's[13] policies that required distribution contracts before production financing was released, filmmaking shifted toward the Hollywood model. The making of small scale art films by individual directors, prevalent in the 1960s, was abandoned in favor of large-budget commercial production.

Telefilm Canada's policies, in turn, were influenced by several influential critics and producers who were insisting, in the early 1970s, that what was necessary in Canadian cinema was the ability to entertain. What was needed were films that were entertaining, first, and culturally Canadian, second. It was not, they argued, that Canadian films were not serious or well intentioned. The problem was that too often they were dismal in theme and had downbeat endings. They were low-budget films. They lacked stars and production values. In 1977, much was made of the fact that of 103 English-language films supported by Telefilm Canada, only 5 showed a return on investment. The broad consensus was that what was needed was fewer and better films, and bigger budgets that could help the films get a fair shake at world markets. What was needed was a means to attract private, commercial investment. Of course, this was similar to what existed in Hollywood.[14]

Eventually, these arguments led to the introduction of a special tax incentive scheme for potential investors. This was known as the Capital Cost Allowance. Under this new policy, film was now thought of as a cultural *industry*, which had certain economic benefits such as employment as well as potential profits.[15]

This policy led to an unprecedented boom in production activity. This boom took place primarily in Toronto, but to a lesser extent in Montreal and

Vancouver. Artificially stimulated by the tax incentive, the temporary boom generated countless films made for all the wrong reasons and mostly by the wrong people. Many of the films were simply bad imitations of Hollywood films, starring usually overpaid American actors. To speak of Canadian cinema in the 1970s, one can speak mostly of low-budget imitations of disaster movies, science fiction fantasies, action thrillers, horror films, sex comedies, and disco-musicals. Many of these films were not even set in Canada. It was in the 1970s that the city of Toronto was first used as a stand-in for any number of American cities.

Few of these films actually did well at the box office, and many have still not been released. In this sense alone, the formula-oriented principles of the policy were a disaster. Although the policy provided work and income and experience for crews and technicians, the scheme's ultimate effect was more destructive than helpful. Many of the producers of the time moved on to continue their careers in Hollywood. But the policy did nothing to help an emerging generation of filmmakers. Few Canadian films of the 1970s are memorable. Only in Quebec was there any sense of a continuing artistic tradition. Such French-language filmmakers as Francis Mankiewicz, Jean-Pierre Lefebvre, and Denys Arcand continued to attract international critical attention. But, even in Quebec, production gradually became more commercially oriented as producers scrambled for a share of the dollars available from runaway Hollywood productions. In many ways, the 1970s are a period best forgotten for cinema in Canada.[16]

However, even as the tax incentive scheme was being introduced, opinions about it were already changing. There were predictions that the policy would encourage the production of trash, not better films. There were complaints that Canadian films were being commodified, that the industry was concerned only with making a product and not with quality. Many writers argued that the industry was becoming Americanized. Commentators pointed out that film should be more than simply a commercial product. They argued that policies to support the film industry did not belong in the same box as mining policy. The newspapers of the time contain many mocking references to "Hollywood North" and to such cities as Toronto being disguised as "Anytown U.S.A." There was questioning as to why the film industry insisted on positioning itself automatically in relation to the U.S. market. It was also widely argued that film budgets should be scaled down to more realistic levels so that films might earn a profit without being geared to U.S. release. In assessing the disasters of the 1970s, critics, policymakers, and producers came to the realization that filmmaking may be an industry, but it is also more than just a business.

Since the 1980s, a new kind of film industry has emerged in Canada—though one that also contains its own paradoxes. The paradox is that the production of feature films and the production of television have become increasingly isolated from each other, with different goals and methods.

The New Wave

In terms of feature films, the tendency has reemerged to work with smaller budgets on projects essentially driven more by the interests of individual filmmakers than by the demands of the marketplace. This trend might be dated to 1981 and Francis Mankiewicz's *Les bons débarras* (Good Riddance), produced for less than $600,000 and a considerable critical and commercial success.

More precisely, it can be related to the emergence of what has been called the New Wave in Canadian cinema, which began about 1984. This has been primarily focused around Toronto, but new, young filmmakers have also made their marks in such cities as Winnipeg, Vancouver, and Halifax. The films of such directors as Atom Egoyan, Bruce Macdonald, Mina Shum, Guy Maddin, Clement Virgo, Jean-Claude Lauzon, Patricia Rozema, Bill MacGillivray, Lynne Stopkewich, and Thom Fitzgerald have received widespread critical acclaim. Their films have had considerable success in the marketing niche of art cinema.[17]

The young filmmakers who emerged in the 1980s seem to have recognized the futility of trying to compete with Hollywood films—not least in seeking the large audiences associated with commercial cinema. Almost all the films are low-budget, independent productions. Most are made for less than $1 million. The filmmakers rejected the use of big stars as well as conventional narrative. Instead, many have probed and criticized the ideological foundations of those narrative conventions. Over the past decade, these filmmakers from Toronto, Winnipeg, and Halifax have created a kind of countermythology—a countermythology to the individualist orientation of Hollywood films. In many ways, these films question the American Dream.

The central characters in these films have an eerie similarity. Almost all of them are people in the grip of what could be called an identity crisis. Usually they are people who feel disengaged from the social or physical environment in which they live. They observe, often ironically, the chaos that swirls around them. They observe but can do nothing to change things. Interestingly enough, this sense of ironic, even subversive, detachment is not unique to the young filmmakers. It can also be found in the films of such established francophone filmmakers as Denys Arcand and Jean-Pierre Lefebvre, and even of such established anglophone filmmakers as David Cronenberg.

Among the young filmmakers, this sense of detachment is not confined to a particular place. It is a characteristic of the work of Guy Maddin from Winnipeg, as much as of Bill MacGillivray from Halifax, and equally of Atom Egoyan and Bruce MacDonald from Toronto. Nor is the sense of dislocation unique to male filmmakers. It is equally a characteristic of the work of such women filmmakers as Patricia Rozema, Patricia Gruben, and Léa Pool. In Lynne Stopkewich's recent film, *Kissed,* the extraordinary (necrophilia) is presented as "perfectly normal" (the title of the film by Yves Simoneau, with comparable oddball characters).

Although stories of disaffection are not unique to Canadian cinema, an additional characteristic is—that is, the way filmmakers have probed the relationship between alienation and the media, particularly film and television. Atom Egoyan is perhaps a key example. In his films, the act of storing and recording images is more than a simple dramatic preoccupation. Media images are the means by which alienation is both expressed and explained. In Egoyan's films, the various technologies of communication and documentation are the producers of alienation. But they are also the means by which its victims seek to escape it. In *Family Viewing,* video is the arena in which the antipatriarchal war is fought. In *Speaking Parts,* filmmaking is equally both seductive and oppressive. This notion of mediated experiences is not as rigorously explored by other filmmakers. But it is very much a presence in many of them.

This insistence on exploring the media as prime sources of alienation and individual angst is perhaps the most striking characteristic of recent Canadian cinema. In doing so, the filmmakers have pinpointed a primary source of cultural disaffection in Canada. For decades, Canadians have grown up consuming a near-exclusive diet of images and stories coming from the United States. Canadian films, television programs, musical recordings, books, and magazines have been forced to compete with the products of the world's most powerful producer of entertainment products. For Canadian filmmakers who are forced to live with this situation, it is a prime source of disaffection and alienation.

Criticizing the media themselves as the source of confusion and isolation, the filmmakers have also pointed to those very issues that have troubled the cinemas of Canada from the very beginning. In essence, those issues come down to a simple one, the very issue the young filmmakers have explored. Without a sense of self reflected in our national media, without the ability to tell our own stories to ourselves, without these things, the result is alienation and a confused identity. As Ted Magder has noted: "We still need something more than Canada's version of Hollywood."[18]

Somewhat curiously, as this "authors' cinema" has emerged, Quebec has lost to Hollywood the talents of many of its younger directors. Some, such as Yves Simoneau and Jean-Marc Vallée, made names for themselves in art cinema before opting for commercial filmmaking in Hollywood. Others, such as Christian Duguay, chose this path from the start, directing television movies as the path to establish their credibility. (This trait used to be confined to English-Canada: Norman Jewison and Ivan Reitman are perhaps the most famous, but they are far from the only expatriate directors in Hollywood.) Even more curiously, as the feature film industry has returned to an emphasis on art films, the television industry has become increasingly commercial and less identifiably Canadian in origin.

Canada Goes Hollywood

Prior to the 1980s, few Canadian television dramas or series were exported. Those that were tended to find their market in such countries as Britain and Australia, with their similar public broadcasting systems. But with the advent of the Canadian Television and Cable Production Fund and its emphasis on prior sales and international coproductions, that situation changed dramatically.[19] Companies have emerged that are now major players on the international television scene.

Among them are such companies as Atlantis Communications *(Traders, Gene Roddenberry's Earth: Final Conflict),* Alliance Communications *(Due South, Once a Thief),* Fireworks *(La Femme Nikita, F/X),* and Paragon Entertainment.[20] Although these companies also produce television programs aimed more directly at the Canadian market, the above examples are more typical. Made in Canada by Canadians, they have large budgets; employ hundreds of Canadian actors, writers, and crew; and are entitled to varying degrees of financial support based on the level of involvement by Canadian personnel. They are also primarily designed for export. The industry produced $2.7 billion worth of films and television in 1995. It exported more than half of that, pushing Canada into the position of the world's second largest exporter of television programming after the United States.

Television has become big business—Canada's Hollywood—just as the feature film industry has apparently given up on the decades-old struggle for access to the mainstream marketplace. The debates in the 1970s over "art versus commerce" seem to have been resolved in two parallel and complementary directions—a typical Canadian compromise, some might wryly suggest. But, in any case, both industries continue to reflect that struggle to be "as Canadian as possible . . . under the circumstances."

Notes

1. This phrase is derived from a report in *Canadian Forum* that was discussed extensively by Linda Hutcheon in an essay with the same title. David Howes, "We, the Other People: Two Views on Identity," *Canadian Forum* (January 1988): 11; Linda Hutcheon, "As Canadian As . . . Possible . . . under the Circumstances," in *The Canadian Essay,* ed. Gerald Lynch and David Rampton (Toronto: Copp Clark Pitman, 1991). The phrase has entered Canadian discourse, often used in an ironic, self-deprecatory manner.
2. W. L. Morton, *The Canadian Identity,* 2nd ed. (Toronto: University of Toronto Press, 1961, 1972), 51.
3. I do not intend here to explore the various "nationalisms" said to exist in Canada, nor the many debates about cultural nationalism and resistance to U.S. cultural imperialism. For an excellent discussion of these issues, see Charles Acland, "Cultural Survival: Sleeping with the Elephant," in *Canadian Society: Understanding and Surviving in the 1990s,* ed. Dan Glenday and Ann Duffy (Toronto: McClelland and Stewart, 1994): 223–51.
4. This section is derived primarily from Peter Morris, *Embattled Shadows: A History of Canadian Cinema, 1895–1939* (Kingston: McGill-Queen's University Press, 1978).
5. Pierre Berton, *Hollywood's Canada: The Americanization of Our National Image* (Toronto: McClelland and Stewart, 1975).
6. For a discussion of Hollywood's strategies in relation to Canada, see Manjunath Pendakur, *Canadian Dreams and American Control: The Political Economy of the Canadian Film Industry* (Toronto: Garamond Press, 1990), 45–94; and Ted Magder, *Canada's Hollywood: The Canadian State and Feature Films* (Toronto: University of Toronto Press, 1993), 19–48.
7. Gary Evans, *John Grierson and the National Film Board: The Politics of Wartime Propaganda* (Toronto: University of Toronto Press, 1984).
8. Peter Morris, "Backwards to the Future: John Grierson's Film Policy for Canada," in *Flashback: People and Institutions in Canadian Film History,* ed. Gene Walz (Montreal: Mediatexte, 1986).
9. There are discussions of the Canadian Cooperation Project in Berton; Magder; and Pendakur, *Canadian Dreams and American Controls.*
10. Pierre Véronneau, *Le succès est au film parlant français* (Montreal: Cinémathèque québécoise, 1979); Pierre Véronneau, *Cinéma de l'époque duplessiste* (Montreal: Cinémathèque québécoise, 1979).
11. Gary Evans, *In the National Interest: A Chronicle of the National Film Board of Canada from 1949 to 1989* (Toronto: University of Toronto Press, 1991).
12. For a discussion of recent activity in this arena, see Magder, 215–30. For an eco-

nomic analysis of the historical context of the industry, see Pendakur, *Canadian Dreams and American Control,* 95–131.

13. Although it was then called the Canadian Film Development Corporation, I have used "Telefilm Canada" throughout to avoid confusion.
14. The clearest summary of these views is in the so-called "Tompkins Report," *Film Industry in Canada* (Ottawa: Minister of Supply and Services, 1977).
15. Pendakur, *Canadian Dreams and American Control,* 170–79.
16. Magder, 167–92.
17. Pierre Véronneau, ed., *À la recherche d'une identité: rennaissance du cinéma d'auteur canadien-anglais* (Montréal: Cinémathèque québécoise, 1991).
18. Magder, 250.
19. Magder, 208–14. The fund was originally called the Canadian Broadcast Program Development Fund.
20. Since this essay was first written, Atlantis and Alliance have merged to form Alliance Atlantis Communications, a powerful new force in Canadian Production and in cable casting.

20

United States

Gorham Kindem

Industrial analysis of the U.S. movie industry's market structure over the past one hundred years reveals a persistent tendency toward the concentration of power in the hands of a few corporations. As many film scholars have suggested, industrial analysis has significantly increased our understanding of important economic changes that have occurred throughout film history.[1] The use of industrial analysis in classic studies, such as Michael Conant's analysis of a major antitrust case, *United States v. Paramount et al.* (1948),[2] has produced important insights into the formation of the U.S. movie industry and subsequent changes in its market structure. Market structures that are particularly relevant to the U.S. movie industry include oligopolies and virtual monopolies (the concentration of ownership in the hands of a few companies) as well as the vertical integration of production, distribution, and exhibition (the movie industry's equivalents of manufacturing, wholesaling, and retailing) within powerful corporations. Market structure interacts with other economic factors, such as supply and demand, to effect the industry's overall conduct and performance. It can be influenced by government antitrust intervention, exemplified by the Paramount case, as well as by government promotion of industry concentration, such as National Recovery Administration (NRA) policies during the New Deal or government support of film industry cartels abroad following two world wars. Although U.S. film industry oligopolies and virtual monopolies have sometimes included foreign firms—such as Pathé's participation in the Motion Picture Patents Company (MPPC), or more recent Japanese-based conglomerates, such as Sony and Matsushita—for the most part, at least since World War I, U.S. firms have played a leading role in the global movie industry and dominated their own domestic market.

A technological and economic foundation for a U.S. movie industry was established by Thomas Edison. As Charles Musser has suggested, Edison's contributions were wide ranging and significant, and they occurred within an international context of numerous influences.

> In "inventing" modern motion pictures, Thomas Alva Edison and William Kennedy Laurie Dickson developed a complex communications system—not a single invention but a whole group of inventions. While this achievement occurred within the framework of multifaceted influences—the work of Muybridge, Etienne-Jules Marey, and others; Edison's own prior accomplishments also shaped their thinking, the process of invention, and the way the developing motion-picture system was initially employed.[3]

Edison's development of the phonograph, beginning in 1877, served, at least in part, as a model for his initial motion picture endeavors, as Edison attempted to do for the eye what the phonograph did for the ear, using a cylindrical device. By 1889, W. K. L. Dickson had begun working on the kinetograph camera. In that same year, according to Musser, Edison visited Europe and the Paris Exposition, where he met Etienne-Jules Marey and became familiar with the Frenchman's method of recording a series of pictures on a film strip. Upon Edison's return and after experimenting with a horizontal-feed motion picture camera inspired by Marey, Dickson eventually turned to a vertical-feed camera. By 1891 Dickson and Edison's lawyers began preparing two patent applications for a motion picture camera or kinetograph, and one for a peephole-viewing device or kinetoscope. By 1892 Edison began to arrange for commercial exploitation of the kinetoscope at the World's Columbian Exposition in Chicago, and he built a studio at West Orange, the "Black Maria," in anticipation of a demand for film subjects.[4]

Thomas Edison's development and patenting of the kinetograph and kinetoscope signaled the beginning of an American movie industry, but it was not until 1896 that cinema as a projected medium was commercially exploited in the United States. Kinetoscopes were marketed as single-viewer installations in penny arcades, hotel lobbies, summer amusement resorts, and phonograph parlors in the early to mid-1990s. Following the Lumière brothers' successful recording and projection of films using a *cinématographe* in Paris, France, in 1895, Edison publicly projected films using a Vitascope projector at Koster and Bial's Music Hall in New York in 1896.

Vaudeville eventually became a major exhibition outlet for movies in the 1890s. By 1896 vaudeville was an extremely competitive industry and a dominant force in American popular entertainment. According to Robert Allen, movies represented a novel, new "act," which could be incorporated into live performances and give vaudeville chains, such as F. F. Proctor and B. F. Keith, a competitive edge. The Lumières provided vaudeville with a complete "act," consisting of a projector, films, and operator, that could be booked for a chain's entire schedule throughout the country from a central New York office. Edison, on the other hand, relied upon a "states' rights" approach to set up franchises that leased projectors and sold films to vaudeville theaters on a state by state territoriality basis. It was the Lumières brothers' marketing plan, however, that served as the eventual basis for the Edison, Biograph, and Vitagraph companies' commercial theatrical film success in the United States prior to the advent of storefront movie theaters, or nickelodeons, in the mid-1900s.[5]

Edison, Biograph, and Vitagraph were major producers of commercial films and equipment at the turn of the century. These companies may have profited more from equipment sales than movie sales, however. They initially produced movies to maintain demand for their equipment, upon which they held major patents. Edison initiated a series of patent infringement suits in the late 1890s that attempted to stop the importation of rival machines from Europe and the copying of patented inventions in the United States. Because movie production required little capital investment at this time (an average film was projected for only a few minutes), many small, independent producers soon became movie suppliers. Edison's suits were more successful in terms of inhibiting production among larger concerns than they were in stifling highly mobile and elusive independent producers, many of whom continued to make films despite Edison's legal maneuvers.

Beginning in about 1902, movie distribution became somewhat more structured with the development of film exchanges. Within a few years there were more than a hundred exchanges, which helped to separate the movie industry into three distinct phases: production, distribution, and exhibition. Exchanges afforded exhibitors the opportunity to trade films among themselves rather than having to purchase every film they used for their own exclusive use. Exchanges purchased a group of films that were then rented to individual exhibitors. Producers had to negotiate only with a few exchanges rather than with hundreds or thousands of small exhibitors. Exchanges garnered tremendous profits by continuing to rent movies after the initial purchase price had been recovered. Exhibitors needed several short movies each day and several changes of program each week to satisfy the growing public demand for movies, and exchanges helped to effectively and efficiently distribute movies to meet this increased demand.

Although foreign producers of actualities, such as the Lumières, handled their own distribution in the United States, the movies of the world's leading filmmaker at the turn of the century, another Frenchman, Georges Méliès, along with those of many other European filmmakers, were regularly duped and marketed by U.S. companies, often preventing their makers from enjoying U.S. profits. Méliès set up a New York branch and began to register films with the Library of Congress, but American companies maintained a wide selection of European films to dupe, including those of many British and French companies, such as Cecil Hepworth and Pathé Frères.[6] In 1904 Pathé, by then a major producer of films in France, began to set up agents and eventually sales offices in other countries, including the United States. Rather than trying to protect its films through copyrighting, as Méliès had done, Pathé began releasing its films in the U.S. market prior to their release in Europe so that duping European prints would be less advantageous for U.S. companies.[7] Pathé's movies became extremely popular in the United States, where it sold films at a lower rate than Edison and eventually earned more money than it did in France. By 1906 Pathé became the largest film company in the world, in part through international distribution of its films in the United States and elsewhere but also by purchasing theaters and vertically integrating, that is, performing production, distribution, and exhibition functions within the same company.

One of the major developments in the exhibition side of the U.S. movie industry during the early 1900s was the establishment of theaters devoted exclusively to the showing of motion pictures. These storefront theaters, or nickelodeons, revolutionized American popular entertainment. Nickelodeons catered to recent immigrants as well as to working-class and middle-class people in many metropolitan areas, and in so doing, they attracted a relatively diverse audience. The first nickelodeon was ostensibly established in Pittsburgh in 1905 by a vaudeville entrepreneur who charged audiences $.05 on opening night to watch a film entitled *The Great Train Robbery*. Within only a few years, there were as many as seven thousand to ten thousand nickelodeons in the United States. During this period, the U.S. movie industry experienced an explosion in the demand for movies. Between November of 1906 and March of 1907, producers increased their weekly output from ten thousand to twenty-eight thousand feet of film and still couldn't meet the demand.[8] Between 1907 and 1908, for the first time, more story films or fictional movies were produced and screened than actualities or nonfiction movies, reflecting both popular demand, innovations in film language, and distinct advantages in terms of production control and efficiency. The majority of films that filled the nickelodeon theaters, however, came from European firms, such as Pathé, Gaumont, Hepworth, Cines, and Nordisk, but many of the eventual founders of the Hollywood studio system, such as Carl Laemmle, who founded Universal; the brothers Warner, who established Warner Bros.; Louis B. Mayer, who became an important part of Metro-Goldwyn-Mayer, or MGM; and William Fox, who formed a company that eventually became known as Twentieth Century-Fox, got started in the movie industry and earned huge profits running nickelodeons.

In 1908 a virtual monopoly was established in the U.S. movie industry by the seven largest domestic film producers (Vitagraph, Edison, Selig, Biograph, Essanay, Lubin, and Kalem), the major importer-distributor of foreign films (Kleine), and two French film producers (Méliès and Pathé Frères). Edison's patent suits between 1897 and 1908 had eliminated most of the domestic competition in terms of film equipment manufacturers, with one major exception, the American Mutoscope and Biograph Company (Biograph), whose patents were upheld. The truce between these two major concerns consisted of a patent pool organized around sixteen key patents that were maintained by the MPPC. The MPPC issued licenses for the right to use its patented equipment and assessed three types of royalties: machine royalties, exhibitor royalties, and film royalties. The MPPC also made an agreement with Eastman Kodak Company that established it as the exclusive buyer and Eastman Kodak as the exclusive seller of film stock. Through interlocking agreements, the MPPC standardized the functions of each segment of the movie industry and exercised monopolistic control. The MPPC licensed over one hundred distributors or exchanges, who dealt exclusively with licensed exhibitors and licensed films, until its own distribution company, the General Film Company, was set up, ostensibly to improve services to exhibitors, although a subsequent antitrust suit alleged that it was simply an attempt to increase the MPPC's monopolistic control. By 1912 General Film had acquired all licensed exchanges, except William Fox's Greater New York Film Rental Company. Fox, a licensee, initiated a suit against the MPPC, charging it with illegal restrain of trade and monopolistic practices in violation of the Sherman Antitrust Act of 1890. The courts finally ruled in 1915 that the MPPC was an illegal trust, basing their decision upon Section 1 of the Sherman Act and Section 3 of the Clayton Act of 1914.

While the dissolution of the MPPC may have been a significant event in industry regulatory history, major changes in the structure of the U.S. movie industry had already begun well before the decision was handed down. Independent producers, exchanges, and exhibitors effectively competed with the MPPC after 1912 when newly elected President Woodrow Wilson began an era of trust-busting and the MPPC became reticent to enforce sanctions. Producers from Europe, as a result, increased the number of films they supplied to independent producers.[9] Six innovations, which were largely but not exclusively attributable to independents, preceded the dissolution: the initial establishment of a movie star system and studio system, feature-length films, a migration of producers to southern California, alternative distribution practices, such as road shows (leasing theaters for specific showings) and block booking (selling several films in a package linked to a highly desirable movie), and the exhibition of feature films in movie palaces.

Carl Laemmle, head of the Independent Motion Picture Company (IMP), helped to initiate the movie star system about 1910. Laemmle acquired one of Biograph's featured players, who was then known only as the "Biograph Girl," and he used various publicity stunts to promote his acquisition, Florence Lawrence, by name, as an IMP star. Few individual credits were presented in movies generally, especially among MPPC members' films, although this practice changed. Later in the same year, Laemmle enticed Mary Pickford away from Biograph, and he actively promoted her as a movie star. As the public became infatuated with movie stars and various firms competed for their exclusive services, the annual salaries of major movie stars, such as Mary Pickford, Charlie Chaplin, and Douglas Fairbanks, grew substantially to about $1 million by 1919. Vitagraph and a few other MPPC members may have promoted movie stars as early as 1910, but Biograph did not capitulate until 1913.[10]

The development of the feature film in the United States was influenced in part by the appearance of longer European films on American screens and the differing strategies of independents and Patents members. Pathé's three-reel *Passion Play* appeared in 1907. By 1909 Vitagraph released a five-reel version of *The Life of Moses*, but it was issued as a five-part serial. Exhibitors sometimes defied this episodic strategy by retaining initial episodes long enough to show them with subsequent ones. Another famous early feature film, *Quo Vadis*, was imported from Italy by Kleine, a Patents member, in 1913, but its distribution was handled quite differently from General Film's normal distribution of short films. In fact, in general the companies that became involved in distributing feature films were not the same companies that produced and distributed short films. Features required an alternative form of distribution. Initially they were marketed on a "states' rights" or territorial rights basis (all rights within a state were sold to one distributor). Sometimes a states' rights approach was combined with a road show approach, as occurred with D. W. Griffith's twelve-reel movie *Birth of a Nation* in 1915. Road showing required making arrangements with individual theater owners on a percentage-of-the-gross receipts basis. Individualized approaches to distribution left the General Film Company at somewhat of a disadvantage. Short duration film distributors were not prepared to effectively market feature films, and the relatively conservative Patents Company tended to resist rapid innovation in terms of product marketing and distribution practices.

In 1912 Adolph Zukor organized the Famous Players Film Company, which eventually became Paramount Pictures, to feature "Famous Players in Famous Plays." While feature films provided an excellent vehicle for the promotion of domestic movie stars, Zukor's initial strategy was to import European feature films, such as *Queen Elizabeth,* and circumvent the Patents Company. For the 1913–14 season, Zukor innovated a new means of distributing his own features, which compensated for the inefficiency of the states' rights approach. Zukor adopted a policy of releasing a program of thirty movies and selling distribution rights as a package to several exchanges. Rather than using a separate scale for each picture, Zukor instituted a form of block booking, where distributors bought the movie output for an entire year at one time. In 1914 Zukor formed Paramount Pictures Corporation to handle the distribution of his own films as well as those of his partners, Jesse L. Lasky of the Feature Play Company and Bosworth, Inc., and he instituted a percentage plan that allowed the distributor to participate in exhibitor profits, replacing the prior flat-rate rental plan.

Legal suits and harassment by the MPPC may have stimulated many independent producers to migrate to Hollywood, but Patents members were themselves attracted by the climate and diversity of outdoor settings available in southern California. While Hollywood was not inhabited exclusively by independents in the early 1910s, its proximity to Mexico and distance from Patents members headquartered on the east coast of the United States initially offered a buffer zone of protection. The warm climate and sunshine were ideally suited to year-around movie making. By 1913 several Patents members had set up production facilities in Hollywood as well.

An important émigré to Hollywood in 1911 was Thomas Ince. Ince, who had worked for both IMP and Biograph, traveled to Edendale, California, to direct a multireel film for the New York Motion Picture Company. By 1915 he had established a "studio system" by separating the conception and production phases of filmmaking and developing a continuity script. Up to that time the movie industry's standard approach to production was to use group production units to shoot scenes using a brief outline. At Ince's studio a movie was prepared on paper by management followed by its execution by workers. He further standardized the work process by dividing labor through specialization. A producer organized the work, a scenario editor controlled the script, a director headed and supervised shooting, and an editor cut the film. As his production studio grew in size, Ince divided these and other production responsibilities among specialized areas and individuals. A pyramid of labor was established, products and productions practices were standardized, and movie making became a modern corporate business.[11]

During the 1910s new forms of exhibition appeared that allowed movies to be shown to more people at a single screening, compensating for the reduced number of daily screenings that longer duration (feature) films afforded exhibitors. Beginning around 1914 "movie palaces," such as the Strand and Vitagraph theaters in New York, started to replace storefront theaters, or nickelodeons. Large, elaborately appointed, and generously serviced movie theaters also attracted more middle-class patrons and called for increased admission prices. Feature films shown in movie palaces often generated higher profits than short films shown more frequently in smaller theaters. By 1916 feature-length films became predominant, and in 1917 First National Exhibitors' Circuit was organized by leading exhibitors to contract for and eventually produce their own feature films. First National's integration of production, distribution, and exhibition was stimulated in part by Zukor's block booking strategies, as well as the high rental costs that producers and distributors charged for major feature films. Zukor, who headed Famous Players-Lasky, which formed Paramount Pictures, retaliated in 1919 by acquiring theaters, and in so doing vertical integration among "independents" in the U.S. film industry eventually replaced the MPPC's earlier monopolistic combination with a virtual monopoly or oligopoly among supposedly independent companies.

World War I, which began in August of 1914, had profound effects upon the U.S. and other movie industries. The war adversely affected movie making by two of the world's leading producers, France and Italy, and the United States stepped in to fill the void. Prior to the war, U.S. companies were generally preoccupied with filling the increasing demand for movies within their own domestic market, although by 1909 several of them had begun exploiting foreign film markets as well. By 1912, several film scholars have suggested, Hollywood had organized on an international scale and was squeezing less organized competition out of many foreign markets.[12] By 1916 Hollywood exports had cornered many foreign markets that were cut off from European films, and U.S. firms set up their own distribution outlets in Latin America and elsewhere. The relatively large and undisturbed U.S. domestic market could be used to amortize production costs, that is, to recover the relatively high cost of big-budget films and therefore allow Hollywood to maintain a competitive pricing advantage in foreign film markets. As highly paid Hollywood movie stars and lavish productions began to attract international attention, it was often less expensive for foreign companies to import a big-budget U.S. movie than to produce their own. A further aid to U.S. expansion into world film markets was the Webb-Pomerene Export Trade Act of 1918. This act allowed domestic competitors to form cartels and cooperate with each other on the exploitation of foreign markets in ways that were specifically prohibited by the Sherman and Clayton (antitrust) Acts at home. They could collude with each other in terms of prices and the division of customers and markets overseas.[13]

> The exports to Europe, for example, generated more than one-quarter of the revenue for a 1920s Hollywood feature film. In 1925, one-third of foreign take was generated from theaters in Great Britain. In that particular market Hollywood had captured nearly 95 percent of revenues. The case in France was nearly the same. In that country more than three-quarters of the dollars flowed to Hollywood. Even in what would seem to be quite a different culture, Japan, Hollywood achieved nearly an equal share to the native industry.[14]

However, "Hollywood's domination of French and German exhibition was neither total nor unchallenged. In fact, the U.S. began to feel the results of retaliation by the end of the decade with a subsequent reduction in its share of the market in Germany and France."[15] Nonetheless, as Hollywood became a leading player in the international movie market, it also began to entice European filmmakers and movie stars away from their domestic industries.

During the 1920s the race to acquire movie theaters and production talent/facilities intensified, and several leading companies began to emerge within the U.S. movie industry. Throughout the late 1910s, First National and Famous Players/Paramount Pictures lured major movies stars, such as Charlie Chaplin and Mary Pickford, away from each other with rapidly escalating salaries. In 1919 four major figures in Hollywood, Chaplin, Pickford, Fairbanks, and director D. W. Griffith, went into business for themselves and established United Artists (UA). While United Artists never became a fully integrated company by acquiring its own theaters, as did the major studios that were to dominate the U.S. film industry for the next thirty years, it nonetheless afforded its founders some measure of artistic freedom and autonomy at least until the coming of sound.

During this period several scandals rocked the U.S. motion picture industry, including Mary Pickford's divorce from Douglas Fairbanks, charges of rape and murder against "Fatty" Arbuckle, director William Desmond Taylor's mysterious murder, and Wallace Reid's drug-related death. To avoid external censorship and improve its tainted image, the major studios formed the Motion Picture Producers and Distributors of America (MPPDA) as a trade organization, headed by Will Hays, a former postmaster general under President Harding. The MPPDA instituted a form of self-censorship in the movie industry that eventually led to a fairly strict Production Code in 1934. During the 1920s it also gathered information on foreign markets and lobbied

Congress and the Department of Commerce to promote U.S. film sales abroad.

In 1920 Marcus Loew, who owned a chain of more than one hundred theaters, acquired a production and distribution company, known as Metro, which then merged with Goldwyn Pictures Corporation and Louis B. Mayer's production unit in 1924 to form Metro-Goldwyn-Mayer or MGM. First National built a large studio in Burbank, California, in 1922, while Zukor and Paramount acquired more than one thousand theaters, combined under the name of Publix Theatres Corporation, which included controlling interest in First National's own Balaban and Katz theaters in 1926. Balaban and Katz and Publix Theatres initiated a marketing strategy, known as the "chain store strategy," which helped to establish the major studios as big businesses that would dominate the movie industry for several decades. Modeled after practices used by grocery and variety store chains, such as A&P, Kroger, Woolworth, and Kresge, their chain store strategy provided remarkable cost reductions and profits through economies of scale and the exercise of monopsony (single buyer) power.[16] All of the major studios during the early 1920s, for example, Paramount-Publix, Loew's/MGM, and First National, were vertically integrated companies that owned a substantial number of theaters. Universal, Fox, and Warner Bros. were important minor studios that owned few if any theaters at this time.

During the middle to late 1920s, the movie business became a major U.S. industry. The largest companies were listed on the New York Stock Exchange. Total capital investment in the film business amounted to more than $1 billion in 1926. During the peak of the silent film era, movies appeared to be very good investments and a growth industry. The major producers established relations with leading Wall Street banks and investment houses, which served them well as a new medium, sound motion pictures or "talkies," began to emerge. Conversion to sound would eventually cost the U.S. movie industry more than $500 million. It dramatically increased the costs of film production and exhibition and made the U.S. movie industry dependent upon major financial interests in New York. It also affected the distribution and exhibition of English-language films in non-English speaking countries, as foreign audiences initially seemed to prefer sound films in their own languages. The U.S. movie industry initially experimented with the overseas production of completely re-staged foreign-language versions of Hollywood films. Most of these films lacked an important ingredient, movie stars, however, and the industry eventually began producing dubbed versions of Hollywood films for major foreign film markets, such as France and Germany, and subtitled versions elsewhere.

The coming of sound did not alter the basic oligopolistic structure of the movie industry, however. In fact, it solidified the majors' positions. While two smaller companies, Warner Bros. and Fox, innovated sound in 1926 and made fortunes for themselves in the process, the majors adopted a more cautious "wait and see" approach. They did not actually convert to sound until 1928. Nonetheless, the majors emerged from the conversion to sound technology more powerful than ever. By the end of the 1920s, the leaders of the U.S. movie industry for the next twenty years were clearly established. The "Big Five" consisted of Warner Bros.; Loew's/MGM; Paramount; Radio-Keith-Orpheum (RKO), which was affiliated with the Radio Corporation of American (RCA); and Twentieth Century-Fox. These "majors" owned their own theaters, were all vertically integrated, and distributed films internationally. They maintained a symbiotic relationship with "minors" or the "Little Three": Universal, Columbia, and United Artists, who owned few, if any, theaters. A few independents, such as Selznick International and Samuel Goldwyn, distributed their big-budget movies through the majors, while most others, such as Republic, Monogram, and black filmmaker Oscar Micheaux, distributed low-budget films independently.

The public's demand for motion pictures with sound brought tremendous profits to the U.S. film industry during the late 1920s. Profits increased by several millions of dollars at Paramount, Fox, and Loew's. Between 1928 and 1929, Warner Bros. saw its profits increase from $2 million to over $14 million, and it quickly began acquiring theaters. William Fox temporarily acquired First National, but after the stock market crash of 1929, Fox had to relinquish its controlling interest in First National to Warner Bros.

The Depression generally had a delayed effect upon Hollywood. In 1931 box office receipts fell dramatically. Warner Bros. experienced a loss of almost $8 million. Fox, RKO, and Paramount lost millions of dollars as well. Paramount went bankrupt, Fox was reorganized, and RKO and Universal were sent into receivership. Warner Bros., Columbia, and United Artists struggled to stay alive. Only Loew's did not show a deficit, in part because it owned fewer theaters and had smaller debts. Most of the majors had overextended themselves financially, especially in terms of adopting sound and acquiring theaters, and they experienced tremendous difficulties in weathering the Depression's delayed storm. Domestic and foreign theater attendance and revenues eventually declined, as personal income dropped and foreign audiences' interest in sound films featuring their own languages increased. At the same time, production costs steadily increased. Many theaters were closed, and double features as well as giveaways were offered to entice audiences back into theaters. Some studios began to turn out low-budget productions to fill the need for more program changes and double bills. When President Roosevelt declared a national bank moratorium in 1933, the studios responded by refusing to pay salaries and contemplated a cessation of all production activities until bank funds were made available to them.

Roosevelt introduced the National Industrial Recovery Act (NIRA) in 1933 to revitalize industry and promote cooperation among trade groups. The act was administered by the NRA, which established Codes of Fair Competition for various industries. Late in 1933 a code was established for the Motion Picture Industry.[17] Following NIRA guidelines and procedures, the code banned company unions, allowed labor to become organized and collectively bargain with management, and set minimum salary and pay levels. While the plight of lower-paid workers seemed to improve, public indignation arose over the inflated salaries of movie executives. Executives voluntarily took pay cuts in 1933, but they then felt free to blame movie stars for their financial difficulties. They wrote provisions into the code that limited star salaries, banned star raiding, and limited the activities of agents. Hollywood performers and stars bombarded Roosevelt with protests, and the president eventually suspended the provisions by executive order. The end result was a strengthening of the Screen Actors Guild and a transformation of Hollywood into a union town. Collective bargaining and employee bitterness set the stage for labor strikes in the late 1930s and 1940s.

The Hollywood studio system solidified its structure and control during the 1930s and 1940s. Movie stars and directors were locked into exclusive contracts at each major studio, who loaned them out to each other much more readily than to independents. Loew's/MGM, for example, lent out 610 of its contract staff to other major studios and only 56 to independents. Movie stars could be shaped, manipulated, promoted, disciplined, and discarded by the studios. Production was organized around producer units, where each producer at a studio usually supervised two or three productions at one time at various stages of production. The majors employed about ten line producers who were each responsible for four to six productions annually, which added up to about forty to sixty movies each year. Production heads, such as Irving Thalberg at MGM, Hal B. Wallis at Warner Bros., and Darryl Zanuck at RKO and Paramount (who eventually became a studio head at Twentieth Century-Fox), oversaw these producers and were themselves overseen by studio heads, such as Louis B. Mayer and Jack L. Warner. True power in the industry was usually exercised from New York distribution and exhibition offices, however. Perhaps less recognizable as public figures than studio heads, chief executive officers in New York, such as Marcus Loew (MGM), Harry Warner (Warner Bros.), and Barney Balaban (Paramount), were major powers within each corporation and the movie industry as a whole. The Big Five studios they ran owned just 15 percent of all movie theaters in the United States (three thousand out of about twenty-three thousand theaters), but the vast majority of these were first-run theaters that took in over 70 percent of the total U.S. box office receipts. The studios maintained a geographic separation of theater ownership and a spirit of cooperation, except in major metropolitan areas where their theaters and films competed more directly with each other, and they benefited from each other's successes elsewhere. Independent producers made from one hundred to two hundred films each year but received only 5 percent of U.S. film rentals. Through distribution practices, such as runs, zones, and clearances and block booking, the major and minor Hollywood companies received about 95 percent of all film rentals and they controlled 90 percent of U.S. productions and 60 percent of the world's. Film attendance was extremely high during the studio era. The average American went to the movies once every two weeks and two-thirds of all money spent on amusements went to the U.S. movie industry during this period. Until World War II, about 35 percent of the U.S. feature film industry's income came from foreign markets.

World War II had a profound impact upon foreign markets before, during, and after U.S. involvement and participation. By the late 1930s, Hollywood had to abandon markets in continental Europe. Hollywood movies continued to invade Latin America, with the support of the State Department, but government-aided expansion of these foreign markets never compensated for industry losses in Europe. After the war, the disruption of domestic film production overseas and an intense demand for Hollywood films that had been cut off during the war initially gave the U.S. film industry greater access to some foreign audiences, and a backlog of U.S. film flooded some European markets. But these and other markets were soon inhibited by currency devaluations as well as tariffs, frozen revenues, and other protectionist policies. Still others were cut off entirely by the Iron Curtain. Foreign subsidies for films that employed European talent as well as limitations upon the export of box office receipts received by U.S. films in Europe after the war stimulated "runaway" (overseas) production of Hollywood films. In 1949, it has been estimated, 38 percent of Hollywood's revenues came from overseas, and eventually 50 percent of the global film trade was occupied by the Hollywood movie industry.[18]

The war did little to disrupt the U.S. film industry, except in terms of shortages of material, such as nitrate (used in explosives), film stock, and personnel (25 percent of all male employees went into uniform and a number of well-known directors, such as John Ford, William Wyler, John Huston, and Frank

Capra, became involved in documentary film production), but postwar developments brought dramatic changes. The major studios maintained firm control over the domestic market, and film rentals among the majors nearly doubled between 1940 and 1946, which was Hollywood's biggest year in terms of theater attendance (eighty-two million admissions per week). But after 1946 industry income and audiences declined dramatically (income by almost 20 percent and attendance by almost 50 percent—to forty-six million admissions per week by 1955). The potential causes of this decline were multiple and complex.

While the conclusion of a major antitrust suit, the Paramount case, and the rise of television may have significantly affected the movie industry in the 1950s, the immediate causes of declining revenues and attendance may have been more social than legal or technological. American society and the social functions performed by the movies significantly changed during the postwar period, when a number of other interests and priorities began to compete for consumer spending. As returning veterans got married or started families and migrated to the suburbs, sales of new homes and automobiles increased, and sports and other forms of recreation grew in popularity, although the percentage of total personal consumption allocated to recreation overall declined. Box office plus concession receipts declined from 1.0 percent to 0.5 percent of total consumer expenditures between 1946 and 1955. Coinciding with suburban development, a new exhibition outlet, drive-in theaters, increased in number—at about the same rate that indoor theaters closed. Drive-in theaters increased from 820 to 3,799 between 1948 and 1954, while indoor theaters declined by about 3,000.[19] Whatever the actual causes were of a significant decline in indoor theaters and movie attendance in general, the movie industry responded initially by trying to cut costs and eliminate excess overhead, including some movie stars and less profitable theater holdings. By the late 1940s the industry attempted to cut production budgets, although inflation, labor strikes, and shortages of materials after World War II made this difficult. The average budget for a Hollywood feature film rose from about $300,000 to more than $1 million during the 1940s.

The conclusion of a major antitrust suit, *United States v. Paramount et. al,* in 1948 stimulated structural changes in the U.S. film industry.[20] The U.S. Supreme Court voted unanimously to uphold the verdict of the lower court, which declared that admission price fixing, block booking, unfair clearances, and runs favored affiliated theaters over independents and were illegal and in restraint of trade. Most of the majors soon submitted decrees in which they divorced their exhibition holdings from their production and distribution concerns, although Loew's/MGM didn't actually complete this process until

1957. The film industry changed from an oligopoly among a few vertically integrated companies to an oligopoly among several major distribution companies that also maintained production facilities. A lack of control over exhibition in conjunction with the conclusion of a landmark censorship case brought before the U.S. Supreme Court in 1952, the "miracle case" (concerning Roberto Rossellini's film), which seemed to grant movies First and Fourteenth Amendment protection for the first time, and an influx of foreign films that broke new ground in terms of movie content made the Production Code virtually unenforceable by the late 1950s and 1960s.[21]

During the 1940s and 1950s, as the Cold War intensified, the political content of movies as well as the political affiliations of movie industry personnel were scrutinized by Congress, specifically by the House Un-American Activities Committee (HUAC), which began to investigate Communist tendencies and content in Hollywood films in 1947. The "Hollywood Ten," who included several screenwriters, invoked the Fifth Amendment, refusing to incriminate themselves, and were rewarded with contempt of Congress citations and suspended from working in Hollywood movies. By 1951 additional hearings were held that focused upon naming past and present Communist Party members in the U.S. film industry. A blacklist of suspected Communist Party members and sympathizers was drawn up as some prominent figures in Hollywood named names; others refused to do so or were themselves named and left the United States or continued to work in Hollywood using pseudonyms.

The rise of television during the 1940s and 1950s profoundly affected the U.S. movie industry. A continuing decline in film attendance during the 1950s was in part attributed to the rise of TV. The majors' initial efforts to become involved in television by buying broadcast TV stations and developing theater and subscription TV were inhibited by the Federal Communication Commission (FCC) and the U.S. government in part because of the Paramount case. Clearly their heads were not stuck in the sand, although movie industry leaders may at times have acted somewhat aloof to this upstart medium. By the 1950s the film industry could no longer ignore the growth of television, and it attempted to differentiate movies from TV products by utilizing technological innovations, such as color, wide screen, 3-D, and stereophonic sound. By the mid-1950s some of the major feature film producers had become involved in the production of filmed programs for television broadcast, and in 1955 RKO withdrew from film production and sold its entire film library to television for $15 million. Warner Bros. soon sold some of its films to TV, and by 1958 the majors were actively marketing their pre-1948 feature films to television. During the same period, Hollywood began to employ a generation of directors, writers, and actors who began their media careers in live television anthology series, and it successfully adapted several live anthology television programs, such as *Marty*, to the big screen.

Interaction between the movie and television industries intensified throughout the 1960s. A substantial amount of television programming was filmed at Hollywood studios, such as Universal and MGM, as well as Desilu (a company formed by Lucille Ball and Desi Arnaz), which took over RKO's studios, Screen Gems, General Services Studios, and CBS Studio Center. The prices that networks paid for post-1949 produced feature films gradually increased. In 1966 *The Bridge on the River Kwai,* which had been produced nine years earlier, generated high TV ratings opposite popular TV shows and stimulated higher prices for movies shown on TV. Within a year, all of the networks had switched to color broadcasting, increasing the demand for color films on TV and stimulating the movie industry's virtual conversion to color film. The television industry began to provide partial financing of feature films in return for television rights. Mergers between film and television corporations began to occur with increasing frequency, as when United Paramount Theatres merged with ABC television, and film companies became more diversified by becoming involved in equipment manufacturing and other unrelated industries.[22]

The breakup of the studio system, declining movie attendance, and the growth of television stimulated independent production in Hollywood during the 1950s and 1960s. At the same time that the majors focused many of their resources on big-budget spectaculars that employed "new" technologies, they also distributed a number of low-budget, independently produced movies to theaters and eventually television. Agents and movie packages, consisting of creative personnel who were committed to specific projects, became increasingly important in Hollywood, as producer units, which characterized the studio system, were replaced by package units, which were put together by agents and independent producers for specific, individual projects.[23] Many movie stars who had previously been employed by studios under exclusive contracts formed their own companies and became actively involved in movie production or negotiated for a percentage of the box office receipts. The movie star system continued to function in Hollywood as an important means of securing financing and promoting films, and as a hedge against box office failure, but it was controlled less and less by the major studios.

Foreign films accounted for nearly 10 percent of the North American market during the 1960s, but this dropped to less than 1 percent by the 1990s.[24] Foreign subsidies stimulated runaway production of U.S. films overseas throughout the 1960s and 1970s and ensured foreign distribution of cooperatively financed films. As much as 45 percent of all U.S. feature films were made abroad during this period. While U.S. productions represented less than 10 percent of the world's total movie output, U.S. firms received about 50 percent of the world's screen time and movie rentals. A few corporations that were members of the Motion Picture Export Association of America (MPEAA) accounted for nearly 85 percent of the U.S. industry's foreign rentals, and major distributors continued to dominate domestic feature film markets as well. As Thomas Guback suggested twenty years ago, "There is perhaps no industry in the United States which is so heavily dependent upon foreign markets as is the film industry. By the late 1960s foreign earnings represented about 53% of the total film rentals. Indeed, the film industry derives a larger portion of its revenue from overseas than does any other large American industry."[25]

Between the 1970s and 1990s, the U.S. movie industry became a bilateral (symbiotic) oligopoly shared between six major distributors, Twentieth Century-Fox (News Corporation), Paramount (Viacom), Warner Bros. (Time Warner), The Walt Disney Company, Columbia (Sony), and Universal (Matsushita/MCA), which became (part of) major diversified, multinational conglomerates and a dozen exhibition chains, including United Artists Theater Circuit, Cineplex Odeon, American Multicinema, Carmike, General Cinema, Cinemark, and Loew's. Power was highly concentrated in the distribution sector of the movie industry. During the 1970s the top three distributors accounted for about 50 percent of all domestic movie rentals, while the top eight exhibition chains account for only about 25 percent of domestic box office receipts. In terms of production, the movie industry shifted from a studio-run factory system to a gigantic "cottage" industry, where film production responsibilities were divided among many agencies, independent production companies, as well as major investment/distribution organizations. Conglomerates, which are diversified corporations with major interests in several unrelated fields and markets, brought with them huge financial structures and capital that could be invested in film production, although conglomerates have sometimes invested their money in other areas, where higher profit margins seemed better assured. Movie production has not always been their highest priority. In 1977, for example, Warner Bros. received 47 percent of its income from the recording business, 31 percent from motion pictures and television, 5 percent from cable television, and 13 percent from electronic games. Industry diversification, conglomerates, and multinational corporations sped up the erosion of each studios' characteristic style, which had begun with the breakup of the studio system in the 1950s. In the 1970s production control was spread across several entities, including agencies, such as International Creative Management (ICM) and Marvin Josephson Associates, which handled *Star Wars,* and independent production companies, such as Orion Pictures, which broke off from United Artists and distributed through Warner Bros.

The 1970s initiated three important trends in movie production: (1) a blockbuster mentality that concentrated major distributor resources in a few, high-budget films and may have brought with it a certain degree of product homogenization; (2) an increasing reliance upon film schools to train directors and some other key production personnel; and (3) an increasing interest in attracting young audiences. The industry began to appeal to more youthful audiences with "teenpics" in the 1950s and continued this trend with films of adolescent rebellion in the 1960s, but the appeal accelerated with action-oriented, heroic films directed by "movie brats" in the 1970s. Previous generations of directors had received their initial training on the job or in other media, such as theater and television, while by the 1970s a number of directors, such as Francis Ford Coppola, George Lucas, and Martin Scorsese, moved directly from film school to the Hollywood movie industry. As a result, many of these young filmmakers appealed to young audiences and drew upon their knowledge and appreciation of film history by making frequent references to previous Hollywood and foreign films. Some directors became almost as important as movie stars in the eyes of some movie executives in terms of marketing a movie and ensuring some measure of commercial and/or critical success, although the power of most directors in Hollywood has certainly been much more circumscribed and limited in terms of rights, ownership, and control than the power of some directors in Europe, for example. The commercial success of blockbuster films, such as *Star Wars, Jaws,* and *The Godfather,* indicated a trend towards high-budget feature films that sometimes paid huge dividends at the box office. Blockbuster movies required heavy investments in advertising, which could amount to 30 percent or more of the total production budget. Between the 1970s and late 1990s, average movie production budgets rose steadily from about $15 million to over $40 million. Such high levels of risk and investment in movie production and advertising has remained well beyond the reach of most if not all foreign competitors.[26]

Significant changes occurred in the exhibition side of the industry during this period as well. The average number of seats in an indoor theater decreased from 750 in 1950 to 500 in 1977,[27] and the average seating capacity has generally continued to decrease to the present day. Multiple cinema theaters grew substantially in number and were often located in suburban shopping malls. Several films ran in multiplex theaters concurrently in an attempt to reduce overhead costs and spread risks across several films. The marketing and releasing of majors films became seasonally standardized. Three periods—summer, Christmas, and Easter—comprising just seventeen weeks of the year, provided more than 50 percent of all domestic film rentals. Commercial tie-ins, such as McDonald's and Coca Cola's food and drink containers bearing the names and faces of movie characters from *Who Framed Roger Rabbit*, product placements within movies, such as children leading the central character of *E.T.* along a trail lined with Reeses Pieces candy, and merchandising and licensing of commodities based upon movie themes, characters, or images, such as over one thousand products marketed in conjunction with the release of *Jurassic Park*,[28] including toys, games, T-shirts, and jewelry, became standard practice and added substantially to the total income of blockbuster films. Home video rentals and sales eventually emerged as a dominant exhibition market by the mid-1990s. Video accounted for about 40 percent of distributors' total revenues from new films worldwide in 1992 and for almost 60 percent of film rental/sales by the mid-1990s. Video rentals and sales were concentrated primarily in major video chain stores, such as Blockbuster Video, West Coast Video, Tower Video, the Video Connection, and Video Central, as well as in major retail chain stores, such as Kmart and Wal-Mart. The terms "movie zones," "runs," and "clearances" expanded somewhat to include related concepts, such as "sequencing" and "price tiering" (indicating when a film is available in a sequence of windows that have declining value), as well as "new exhibition markets." Films were released to theaters for about six months, then for an indefinite period as videocassettes, followed by pay-per-view via cable TV and pay cable and pay satellite TV (both Direct Broadcast Satellite [DBS] and Direct Digital Satellite [DDS]) for about twelve months (after pay cable's restriction to show movies less than two years old or more than ten years old was lifted in 1977), followed by a break of about three to six months when films were only available on videocassette, then network TV for about two years, followed by pay cable again and, finally, TV syndication.

Throughout the past century, the U.S. movie industry has changed significantly, but the tendency to concentrate ownership in the hands of a few large corporations has remained remarkably constant. From a domestic trust or cartel based upon the pooling of major patents to an oligopoly of vertically integrated studios formed from independents who competed with that trust, to the rise of the MPEAA as a dominant international cartel consisting of U.S. firms, to the breakup of vertically integrated major studios and the rise of independent production, to the concentration of power in the hands of a few major producer/distributors that were acquired by conglomerates and multinational corporations and linked symbiotically with several theater chains as well as with major electronic media corporations, including broadcast, cable, and satellite television networks and video rental chains, the U.S. movie industry has been significantly defined by its oligopolistic market structure. Foreign firms, such as Pathé at the turn of the century as well as Sony and Matsushita more recently, have sometimes played important roles in the U.S. film industry, but as a general tendency, U.S. firms have dominated their own domestic market as well as global markets since at least World War I. The concentration of ownership in the hands of a few companies domestically has been both mirrored and intensified by even more concentrated cartels of U.S. firms abroad. The consequences of this concentration of power and global dominance are reflected in part by the following general tendencies: the rise of expensive, action-oriented Hollywood blockbuster movies that rely quite heavily upon new technologies and special effects, the homogenization of Hollywood movie products, such as film series and remakes (although independent films in the United States have generally been as original and diverse as independent films produced elsewhere, and major studios have certainly produced some remarkably innovative works themselves), and the adoption of counterstrategies by foreign competitors, such as product differentiation through art films and relatively low-budget indigenous genres. The high level of investment in movie production and advertising, the relatively large and lucrative domestic market for U.S. movies and the difficulties that foreign firms and foreign-language films have generally had in penetrating that market since World War I, and the concentration of power in the hands of a few corporations and the ability of those major firms to form cartels overseas have given the U.S. movie industry a decided economic advantage over foreign competitors in global markets.

Notes

1. Robert C. Allen and Douglas Gomery, *Film History: Theory and Practice* (New York: Knopf, 1985), 131–52.
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3. Charles Musser, *The Emergence of Cinema: The American Screen to 1907*, vol. 1, *A History of American Cinema* (New York: Scribners and University of California Press, 1990), 55.
4. Musser, 56–75.
5. Robert C. Allen, "Vitascope/Cinématographe: Initial Patterns of American Film Industrial Practice," in *The American Movie Industry*, ed. Gorham Kindem (Carbondale: Southern Illinois University Press, 1982), 3–11.

6. Musser, 364–65.
7. Musser, 412–13.
8. Robert C. Allen, "Motion Picture Exhibition in Manhattan, 1906–1912: Beyond the Nickelodeon," in *The American Movie Industry*, ed. Gorham Kindem (Carbondale: Southern Illinois University Press, 1982), 21.
9. Allen and Gomery, 146.
10. Gorham Kindem, "Hollywood's Movie Star System: A Historical Overview," *The American Movie Industry*, ed. Gorham Kindem (Carbondale: Southern Illinois University Press, 1982), 79–83.
11. Janet Staiger, "Dividing Labor for Production Control: Thomas Ince and the Rise of the Studio System," in *The American Movie Industry*, ed. Gorham Kindem (Carbondale: Southern Illinois University Press, 1982), 94–103.
12. See Joanne Hershfield's chapter on Mexico and Randal Johnson's chapter on Brazil in the present volume; see also Kristin Thompson, *Exporting Entertainment: America in the World Film Market, 1907–1934* (London: British Film Institute, 1985); Janet Staiger and Douglas Gomery, "The History of World Cinema: Models for Economic Analysis," *Film Reader 4* (1979); and Ian Jarvie, *Hollywood's Overseas Campaign: The North Atlantic Movie Trade, 1920–1950* (Cambridge: Cambridge University Press, 1992).
13. Thomas Guback, "Film As International Business: The Role of American Multinationals," in *The American Movie Industry*, ed. Gorham Kindem (Carbondale: Southern Illinois University Press, 1982), 342.
14. Allen and Gomery, 149.
15. Staiger and Gomery, 42.
16. Douglas Gomery, "The Movies Become Big Business: Publix Theatres and the Chain-Store Strategy," in *The American Movie Industry*, ed. Gorham Kindem (Carbondale: Southern Illinois University Press, 1982), 104–16.
17. See Douglas Gomery, "Hollywood, the National Recovery Administration, and the Question of Monopoly Power," in *The American Movie Industry* (Carbondale: Southern Illinois University Press, 1982), 205–14.
18. See Thomas Schatz, *Boom and Bust, Hollywood in the 1940s: A History of American Cinema*, vol. 6 (New York: Scribners, 1997), 303; and Guback, "Film As International Business," 338.
19. Simon N. Whitney, "Anti-Trust Policies and the Motion Picture Industry," in *The American Movie Industry*, ed. Gorham Kindem (Carbondale: Southern Illinois University Press, 1982), 187.
20. See Michael Conant, "The Impact of the *Paramount* Decrees," in *The American Film Industry*, ed. Tino Balio (Madison: University of Wisconsin Press, 1976), 346–70.
21. See Douglas Ayer, Roy E. Bates, and Peter J. Herman, "Self-Censorship in the Movie Industry: A Historical Perspective on Law and Social Change," in *The American Movie Industry*, ed. Gorham Kindem (Carbondale: Southern Illinois University Press, 1982), 215–53.
22. See Tino Balio, ed., *Hollywood in the Age of Television* (Boston: Unwin Hyman, 1990).
23. See David Bordwell, Kristin Thompson, and Janet Staiger, *The Classical Hollywood*

Cinema: Film Style and Mode of Production to 1960 (New York: Columbia University Press, 1985).

24. See Marcus Breen's chapter on Australia in the present volume. The percentages are from "Shall We Yawn, Go to a Film? *Economist*, 1 February 1997, 85. David Puttnam and Neil Watson (citing Martin Dale's *Awaiting the Phoenix—The Challenge for the European Film Industry*, 11, which is only available in Spanish in *Situacion* 3 [Bilbao, Banco Bilbao Vizcaya, 1994] and unspecified sources in *Variety*) have suggested that in "the 1960s, foreign-language European films accounted for 5 per cent of the American box office, yet by the mid-1990s that figure had fallen to just 0.5 per cent." See David Puttnam and Neil Watson, *The Undeclared War: The Struggle for Control of the World's Film Industry* (New York: HarperCollins, 1997), 322.
25. Guback, "Film As International Business," 340.
26. See Thomas Schatz, "The New Hollywood," in *Film Theory Goes to the Movies*, ed. Jim Collins, Hilary Radner, and Ava Preacher Collins (New York: Routledge, 1993), 8–36.
27. Conant, "The Impact of the *Paramount* Decrees," 18.
28. Janet Wasko, *Hollywood in the Information Age* (Cambridge, UK: Polity Press, 1994), 200–5.

21

Conclusion

Gorham Kindem

The chapters in this book provide an overview of the development of the international movie industry from the inception of cinema in the 1890s to the present. Movie industries are examined in countries from each of following geographical regions: East Asia (Japan and China); South Asia and Pacific Rim (India and Australia); the Middle East (Israel and Iran); sub-Saharan Africa (Senegal and South Africa); Central and Eastern Europe (Hungary and Russia/Soviet Union); Western Europe (France, Germany, and Italy); Northern Europe (Great Britain and Sweden); South America (Brazil); and North America (Mexico, Canada, and the United States). While movie industries in each of these countries are at least partly representative of those in other countries within their respective regions, significant differences and some unique circumstances exist within and between these countries that prevent this anthology or indeed any anthology from being truly comprehensive. Nonetheless, summarizing research findings in each of the chapters in this book leads to some tentative conclusions about the global movie industry. Various industries' connections and responses to Hollywood in addition to a variety of other factors indigenous to their domestic situations may have stimulated important developments within the international movie industry. This concluding chapter consists of two parts: (1) a summary of each chapter in this book followed by (2) an overview of how Hollywood obtained and has maintained a leading role in the international movie industry, with supporting quotations from different authors concerning various responses to Hollywood.

East Asia

In his history of the Japanese film industry, David Desser argues that cinema in Japan arose and developed with increasing industrialization, Westernization, and urbanization in conjunction with larger sociohistorical events, such as Japan's rise to world prominence at the turn of the century, colonialist expansion, occupation by Allied Powers, and a subsequent "economic miracle." The Japanese movie industry developed studio, star, and genre systems that resembled the U.S. film industry, giving it commercial clout with its domestic audience and allowing it to compete successfully at home with American movies at least during the 1930s and later during the 1950s. At the same time, the Japanese film industry relied much less than the U.S. industry did upon exportation, allowed a somewhat greater degree of experimentation among directors, and embraced uniquely Japanese approaches to movies, such as various kabuki theater traditions as well as *katsuben* or *benshi*, a live film explainer/speaker/orator. The latter may have retarded Japan's transition to sound somewhat, as occasional silent features were made as late as 1936.

The Japanese film industry significantly declined during World War II, but it was never totally nationalized. It was rebuilt during the occupation years 1946–52 and emerged as a powerful domestic industry with new studios, genres, and stars during the 1950s. It also began to produce more films intended for export to European and American markets. Desser concludes, however, that the Japanese economic miracle eventually stimulated the decline of Japanese movie making by virtue of the abandonment by the middle class of the cinema for television and, unlike the U.S. film industry, by the continued vertical integration of the studios, which helped them maintain a stranglehold over the domestic movie industry. Also, unlike the European situation, the Japanese government failed to get involved in industry issues, such as quota systems or funding support, and the Japanese film industry was left to its own devices. Especially after 1970, with the rise of Hollywood cinema, the Japanese studios produced large-scale blockbusters that rarely competed with Hollywood products. Independent Japanese firms generally made low-budget, niche-audience films. Fewer Japanese films were distributed to overseas markets during this period. Instead, of course, several major Japanese electronic firms, such as Sony, Mitsubishi, and JVC, began to invest in Hollywood studios and foreign production companies.

Focusing primarily upon indigenous production, John Lent and Faye Zhengxing's study of Chinese cinema suggests that movies eventually became a political tool in the hands of the national leadership in China. Chinese audiences saw French films by the Lumières as early as 1896 in Shanghai, and the first Chinese film was made in 1905, but feature filmmaking wasn't established until the early 1920s. Shanghai's Mingxing Film Studio pioneered the creation of a commercial film industry. Nonetheless, Lent and Zhengxing suggest, the industry was undercapitalized, overambitious, and dominated by foreign competition during this period. In 1929 fewer than 50 Chinese films were produced, while 450 movies were imported, of which 90 percent came from the United States.

The Japanese invasion of China in 1931 and the bombing of Shanghai in 1932 had a profound impact upon the Chinese film industry. Some film studios were destroyed, and the Chinese Communist Party, aware of the potential political importance of movies, established a film organization as part of its anti-Japanese campaign. Mingxing introduced sound technology in the mid-1930s to help in the mobilization against the Japanese, but a lack of financial resources and the diversity of spoken languages and dialects in China slowed the adoption of sound. Full-scale war erupted in 1937, and the Nationalist government and some progressive filmmakers in Shanghai and Hong Kong intensified their use of film as a propaganda weapon against the Japanese.

The establishment of the People's Republic of China in 1949 brought with it significant changes in the movie industry. While some left-wing and progressive filmmakers left China and became involved in the Hong Kong film industry, others stayed but had to adjust their filmic attitude and behavior, as they made an ideological transition from Shanghai, as a filmmaking center, to Yanan, the Communist headquarters at the time of the Anti-Japanese War. The Yanan Film Team was organized around Mao Zedong's ideas that literature and art should serve political purposes, widening their audiences and raising artists' and their audiences' standards. The attempt to reshape films began with a campaign against "bourgeois intellectual attitudes" in 1951. The market for foreign films changed markedly in China after the Communist takeover, as a campaign to eliminate "poisonous American and British films" was undertaken, and films were confiscated. The resulting loss of audiences prompted the government to import films from the Soviet Union and other Socialist block countries in an attempt to fill the gaps while remaining ideologically consistent. From 1956 onward, however, film audiences grew substantially, reaching 2.05 billion in 1957, and new film studios were built in remote as well as highly populated areas. A film school involving some Soviet directors opened in 1952; the school was attached to the Beijing Film Studio. A series of government campaigns and initiatives over the next few decades profoundly affect the film industry. The first three of these (the Hundred Flowers, the Anti-Rightist Campaign launched in 1957, and the Great Leap Forward Movement begun in 1958) significantly hindered China's film development, but in 1961 Premiere Zhou Enlai's moderate speech on cultural policy somewhat restored a thriving situation. In 1966, at the beginning of the Cultural Revolution (1966–78), promoted by Mao's vengeful widow, Jiang Qing, who had herself been a Shanghai film actress, and the Gang of Four, feature filmmaking ground to a halt. When it resumed four years later in 1970, the only productions permitted were those that dealt with "model performances" of the Peking Opera and ballet stories. Not until the end of this "destructive and aberrant period of disorder" in the late 1970s, Lent and Zhengxing conclude, did China open its doors to the rest of the world and begin a new phase of development and modernization in the film industry. Movie production at sixteen studios, the majors being those in Beijing, Changchun, and Shanghai, leveled off at 125 to 150 features each year, and a new generation of filmmakers, the Fifth Generation, emerged from the film school and created a sensation in China, bringing international attention to their work.

Despite the successes of the Fifth Generation, Lent and Zhengxing argue that Chinese cinema faced serious challenges by the mid-1990s, such as the rise of television and the open market policy adopted by the government. Although government policies have pumped profits from the screening of Hollywood films (usually ten each year) back into domestic production, allocating two-thirds of all screen time to Chinese films, some Chinese filmmakers have experienced difficulties, under tightened film censorship policies, making anything other than mainstream films that serve the government's propaganda purposes. Some filmmakers have appealed to Western audiences and solicited foreign funds from Hong Kong, Taiwan, and elsewhere, at times much to the government's displeasure. Meanwhile a Sixth Generation and underground filmmakers loom on the horizon. Lent and Zhengxing conclude their analysis by suggesting that Chinese cinema has survived a number of struggles for independence from the influences of Hollywood, foreign military invaders, domestic civil war contenders, and communist mobilization campaigns, and it will find a way to contend with recent challenges, such as global commercialization.

South Asia and Pacific Rim

Radha Subramanyam's study of the Indian movie industry challenges a number of assumptions about both domestic and international markets. First, she challenges the Western notion that internationalism and international markets necessarily involve the West. She also disputes the potential marginalization and homogenization of the largest film industry in the world as culturally dependent, inferior, "Third World" cinema. The Indian movie industry, as she points out, has exported both popular and New Wave films, or state-supported alternative cinema, as well as what she defines as "middle cinema," combining the two, to both domestic and foreign markets, including the Indian Diaspora in non-Western countries, for some time. She also challenges the potential homogenization of a national "essence" inherent in the notion of "Indian cinema," which is sometimes seen as synonymous with "Bombay cinema" or "Bollywood." Instead, she describes a domestic film industry that has become incredibly rich and diverse in terms of geography, culture, and languages. While Hindi-language cinema produced in Bombay is viewed in most parts of the country, South Indian producers, such as those in Madras since at least 1948, have made films in Hindi for the "All India" market, as well as films in South Indian languages for the southern states, together accounting for over 60 percent of the total production and the latter producing some of the biggest hits within the Hindi Belt, when South Indian language films have been remade or dubbed in Hindi. She also notes the difficulty of obtaining data about the industry given the government's unsystematic collection of financial information as well as the laundering of "black money" to evade taxes.

Subramanyam links her history of a three-staged development of the Indian movie industry from a "cottage industry" to a studio era and finally to an independent producer and "star as commodity" phase to important political economic changes within India. She also connects them to transnational shifts, including colonialism, the Great Depression, and the coming of sound, as well as World War II and Indian independence, respectively. She concludes her chapter with an analysis of a consideration of some of the economic and policy implications of film and television/satellite/cable interaction, which resulted in the demise of traditional New Wave cinema but also provided new sources of distribution and financing, international coproductions, globalization, and art cinema trends in competition with Hollywood for domestic and foreign markets.

Marcus Breen's quite theoretical overview of the Australian film industry's history and political economy focuses upon three links between economic and cultural history: (1) national film culture, (2) national film policy, and (3) popular culture. Breen defines national film culture as a dynamic hybrid rather than a static, unified set of concerns circulating around nationalism. It consists of a set of imagined domestic cultural goals that change and often conflict with a set of global economic goals. From this perspective the history of the Australian film industry can be viewed as various attempts to bridge gaps and challenges faced by commercial production. Historical challenges to Australian film culture, according to Breen, came primarily from two entities: (1) trade unions and (2) the exhibition sector. Trade unions were a potential threat to cheap labor desired by both foreign and domestic producers. Foreign ownership and control of exhibition facets of the industry, including film theaters acquired by Hollywood's Paramount, exploited the ad hoc nature of the domestic exhibition sector and weakened Australian film culture especially after World War II. Breen also notes the negative impact of the Depression, the production of nationalistic and propagandistic newsreels rather than feature films during the 1930s and 1940s, and British and U.S. domination and exploitation of Australian foreignness as an outpost of civilization during the 1950s and 1960s as contributing factors.

Australian national film inquiries and policies, such as the Vincent report and recommendations in 1963, led to the availability of government funds for production and the establishment of a national film school. The 1981 10BA tax write-offs for investment in film production contributed to the development of the movie industry in Australia but focused almost exclusively upon production. Breen argues that the globalizing guidelines of the Film Finance Corporation in 1988 may actually have decoupled national film policy activity from national film culture in an attempt to improve the international stature of the industry.

Breen examines the role of debates about popular culture in Australia, such as the early suppression of working-class content, including the banning of bushranger movies following *The Adventures of Ned Kelly* in 1905. He also explores the mainstreaming of Australian images into global popular concerns that allowed more contemporary films, such as *Babe* and *Strictly Ballroom*, to gain localized commercial and international recognition while bridging gaps that lurked below the rhetoric of globalization. Breen argues that popular culture narratives in these movies have had the potential to remove Australian audiences from active engagement with national concerns. The use of actual native landscapes, including the bush and outback, served as emblems of national culture, linking geography with national, regional, and local identity. Popular culture narratives also promote internationally interchangeable texts for critically or self-consciously national ones. Using a cultural studies framework to analyze film industry history allows Breen to place the Australian movie industry's transition to a thriving domestic producer of feature films within the context of cultural and economic change. He concludes his chapter with an analysis of contemporary industry structures, defining the mixed model political economy of the Australian film industry as one of dual dependence upon state funding (and an institutional infrastructure) and upon the Hollywood system. Australian movie producers, for example, have to negotiate the demands of local funding agencies while managing international concerns.

Middle East

Owen Shapiro's examination of Israeli cinema focuses primarily upon developments that have occurred since the establishment of the State of Israel in 1948 and the earliest days of an indigenous Israeli cinema, the early 1960s. Shapiro suggests that the Israeli state initially had little interest in the movies and allocated all of its resources to provide for basic needs, such as food, water, and security. His study is based upon interviews he conducted with twelve Israeli filmmakers, several of whom have been making films since the 1960s. Although Israel has had a long tradition of producing high-quality documentaries, including many pro-Zionist films, its movie industry was seen by David Ben Gurion, the first prime minister, as merely providing entertainment for the masses, and it has rarely produced even ten feature films a year. Production budgets have been very small, even today averaging less than half a million dollars, generally provided by the Fund for the Promotion of Quality Films under the Arts Ministry and the Ministry of Industry and Trade. Israeli cinema has no tradition of film producers, and Israeli filmmakers believe that the participation of Israeli television is needed to ensure the survival of its cinema. Domestic theatrical exhibition of an Israeli movie is extremely limited and rarely reaches a million people. Few Israeli films reach American markets, but despite these severe budgetary, distributional, and infrastructure limitations, Shapiro points out, two or three Israeli films a year achieve some degree of recognition at international film festivals.

Shapiro surveys the development of Israeli cinema and the Israeli movie industry by exploring prominent themes that have emerged since the 1960s, including the kibbutz, the Arab and Israeli, war and the military, immigration and ethnicity, the Holocaust, religion, self-reflexivity and the Israeli New Wave, and the apocalypse. The underlying focus of Israeli movies, according to Shapiro, quoting Avram Heffner, is a Holocaust mentality that permeates much of Israeli culture. The kibbutz, a communal settlement propagated by Zionist ideology, has been promoted, criticized, and satirized in Israeli movies. The left-leaning politics of Israeli filmmakers has often led to sympathetic portrayals of Arabs, according to Shapiro. War has figured prominently in Israeli movies, which are sometimes critical of the military although dead soldiers are often deified. As the cradle of world religions, such as Islam, Christianity, and Judaism, Jerusalem has often provided a setting for religious topics, including rituals, superstitions, messianic figures, and the existence of God in light of the Holocaust. Massive immigration to Israel by Jewish people from around the world has encouraged a focus upon the immigrant experience. Israeli movies have reflected shifting attitudes toward the

Holocaust and the resulting Jewish Diaspora as it relates to the establishment and maintenance of the State of Israel, through acts of strength and bravery as opposed to mere survival. New Wave filmmakers helped to established a more introspective, self-reflexive, and self-critical witty and inventive Israeli cinema. Israeli movie making expanded beyond a traditional realist style after the Lebanon war to include modernism and postmodernism, especially in "apocalyptic" movies that mix English, German, and Hebrew languages and culture. Finally, coproduction and internationalization have led to experimental developments in Israeli movies, reflections of multiculturalism, and foreign broadcasts of Israeli movies as well as considerable recognition at foreign film festivals. Israeli cinema celebrates heterogeneity at the same time that it has reflected strong themes related to national identity and the legacy of the Holocaust.

Hamid Naficy's history of Iranian cinema documents significant changes in the Iranian film industry. These changes were effected by the "Islamic revolution" and other political, social, and economic shifts, as well as long-standing traditions of state censorship and control. Until the 1930s, Naficy points out, only nonfiction films were produced in Iran, and growth of the domestic film industry was hampered by a private, noncommercial model (documentaries sponsored and viewed by the shah, his royal family, and the upper classes), a lack of production infrastructure, and negative attitudes toward cinema, which was often viewed as morally corrupt and in need of censorship. By the 1930s U.S. and European newsreels were playing on Iranian screens, the first Persian-language sound film appeared, and local film studios proliferated, but heavy censorship was also imposed upon films, especially foreign films.

After World War II, Naficy suggests, the U.S. promotion of the Truman Doctrine in countries like Iran, which bordered the Soviet Union, had a profound effect upon Iranian documentaries and future feature filmmakers through the training of Iranians to make pro-shah and pro-American newsreels and other nonfiction films. The struggles between Ayatollah Khomeini and Shah Pahlavi, including public protests, which were violently crushed by state security forces, and the exile of the former, which led eventually to the Islamic revolution in 1978, also had a profound impact upon the film industry. Naficy argues that the local need for political control fit the U.S. media companies' interests in securing economic control of worldwide markets. Socially conscious films by young filmmakers trained abroad were censored and often confiscated. Nonetheless, New Wave films were both state supported and state censored during the late 1960s and 1970s, earning international visibility for Iranian cinema at film festivals abroad. By the mid-1970s, economic conditions and censorship conditions drove many domestic producers into bankruptcy, and import laws stimulated the importation of foreign films.

The Islamic revolution initially resulted in a condemnation of cinema, which was seen as supportive of the Pahlavi regime's Westernization projects and cultural colonization of Iran by the West. Numerous movie theaters were destroyed, film imports were drastically curtailed, and a "purification" of domestic production and talent was initiated. Naficy argues that clerical leaders were not opposed to cinema per se but to its "misuse" by the Pahlavi regime, and state intervention in movies eventually encouraged the production of films that promoted "Islamic values." In the last decade, some liberalization of Iranian cinema has occurred, including the Rafsanjani government's attempt to privatize cinema along with other major industries. Various government measures and a swelling national population, according to Naficy, have resulted in the rebuilding of cinemas and the production of popular films that were also higher-quality films, some of which also created an international market for Iranian productions. At the same time, the continued North American–led boycott of Iran has created panic in the film industry, and as in the Pahlavi era, censorship and self-censorship, which today attempt to avoid offending the clerical establishment, have remained significant problems for Iranian cinema as well as the Iranian video, satellite, and film industries. Finally, Naficy documents the efforts of Iranian filmmakers in exile, a majority of whom are united in their opposition to the Islamist regime, to open up another venue for the internationalization of Iranian filmmakers and Diaspora cultural productions.

Sub-Saharan Africa

Manthia Diawara's history of film production and distribution/exhibition in Senegal focuses primarily upon the development of an indigenous industry in Francophone West Africa during the postcolonial era from about 1960 to 1995. While French films by the Lumière brothers and Georges Méliès, respectively, were first shown and shot in Dakar as early as 1905 and other foreign distributors and producers developed film activities in Africa as a serious industry thereafter, the Laval Decree prohibited African participation in decisions concerning films in Francophone Africa until independence was achieved. Faced with the difficulty in the postindependence era of diffusing information and explaining their political programs to their populations, most of whom could not read, many Francophone countries embraced film production, especially the production of newsreels and short documentaries during the early 1960s, despite the fact that they lacked an adequate infrastructure. To support these efforts, the French government asked the four largest producers of film news in France to subsidize a fifth, the Consortium of Audio-visuel International (C.A.I.), and to contract with former colonies to produce newsreels, educational films, and documentaries for half the resulting revenues. Diawara argues that because of the C.A.I., all of the Francophone countries had a film production section attached to their ministries of information. Senegal was the first Francophone country to sign a newsreel production agreement with the C.A.I. Senegal was the home of pioneers of African cinema, including Blaise Senghor and Paulin S. Vieyra, who were graduates of IDHEC in Paris, but it was not until the late 1960s, when Sembène Ousmane came on the scene, that Senegal gave its own nationals the chance to direct features and/or major documentaries. Diawara argues that the emergence of Senegalese cinema in the late 1960s was due less to the availability of a structure provided by the Service de Cinéma, which provided government support for short films, and more to France's willingness to produce African films.

In the early 1970s, pressure from filmmaker associations, such as the Association des Cinéastes Sénégalais and the Pan-African Federation of Filmmakers, resulted in the formation in 1973 of a Société de Cinéma (SNC) within the Ministry of Culture, whose purpose was to encourage national production in fiction and documentary films. Virtually all the films made in Senegal between 1972 and 1983 were subsidized in one way or another by the government, although the SNC itself was phased out by 1976 at least in part because it consumed large amounts of government money, while the content of films, such as Sembène's *Xala* (1974), made leaders uncomfortable, and the society itself had conflicts with an entirely separate society of distribution and exhibition—SIDEC, which was situated in the Ministry of Commerce rather than in the Ministry of Culture. After the dissolution of the SNC, the government tried to contribute to national production by cosigning directors at banks, and a new plan was envisioned of using subsidies from distribution and exhibition to help filmmakers. Nonetheless, movie production had significantly dropped in Senegal by the 1990s. SIDEC, which was created in 1973, functions as a national industry in charge of distribution, programming, and exhibition and encourages both public and private development of film activities in Senegal. It is also an important distributor of films in Mali, Mauritania, Guinea, Niger, Ivory Coast, Gabon, and Cameroon and generates an annual revenue of Fr 8 billion, while subsidizing the Centre National de Production Cinématographique (CNPC) with part of the taxes levied on foreign films. Prior to SIDEC, film distribution and exhibition in Senegal and throughout Francophone Africa was monopolized by two French companies, COMACICO and SECMA, that organized the market into three regions, with Dakar as the capital of the northern region. They distributed American films, as well as French films, but without paying distribution rights for the former, since the American Motion Picture Export Association (AMPEA) considered the Francophone African market insignificant, at least until the late 1960s, when it became interested for political and strategic reasons, if not economic ones.

In 1969 the major American distributors opened an office of AFRAM Films Inc. in Dakar; AFRAM potentially competed with COMACICO and SECMA, leading at least in part to their dissolution and the eventual rise of SIDEC, although, as Diawara argues, political pressure from filmmakers, the trends of nationalization and high taxes on film-related activities, and criticisms expressed by the French government, which did not want to estrange its former colonies, also contributed to their demise. Today there are more American films shown in Dakar than French films, Diawara suggests, because while AFRAM directly supplies national companies, such as SIDEC, French distribution companies only deal with SOCOFILMS. SOCOFILMS is a Swiss import/export firm that competes with AFRAM but has no national roots in Francophone Africa, arguing that national distribution markets, including SIDEC, are insignificant. Diawara concludes his study with a fascinating discussion of the 1995 Pan-African Film Festival in Ouagadougou, the capital of Burkina Faso. He suggests that what began with a Pan-African spirit is becoming more and more nationalistic as award-winning films become symbols of national pride and signs of cultural superiority. While CFA (French African franc) currency devaluation has induced some to call for their country's second independence from France, as well as the World Bank and the International Monetary Fund, Diawara hopes that the new African cinema, too, will embrace Pan-Africanism over nationalism.

Arnold Shepperson and Keyan Tomaselli's study of the South African movie industry focuses primarily upon changes that occurred during and after apartheid. These include changes in ownership patterns of existing systems of distribution, exhibition, and production. They also examine how new players entered the field and altered or reproduced relationships cemented during the apartheid years. Initially the South African movie industry was controlled by American immigrant I. W. Schlesinger's cinema monopoly. He owned a vertically integrated concern, which combined African Film Productions, African Consolidated Films, and African Consolidated Theaters and blocked all attempts by U.S. companies to obtain a direct foothold in South Africa until 1956, when Twentieth Century-Fox bought out Schlesinger's interests. Fox was later acquired by a South African company that eventually became Ster-Kinekor, which operated under agreement to distribute U.S. productions from Fox, Orion, Disney, and Avco-Embassy, as well as British productions from Rank and Anglo-EMI. Other overseas interests, such as Paramount, CIC-Metro, Warners, and Universal were connected with Cintrust distribution network, half-owned by a South African firm, MGM Film Trust. A cultural boycott of South Africa in the 1980s caused development of the film industry to slow down in terms of international distribution linkages, and except for a few films by independent producers, South Africa movie production virtually collapsed. By the mid- to late 1990s, there were fewer independent movie producers than during the industry's relative production heyday between 1961 and 1980. Conditions of inequality prevailed in the distribution and exhibition sides of the industry as well. Ster-Kinekor and Nu-Metro (transmuted from the CIC-Warner group) strengthened their grips on the film industry following the relaxation of trade sanctions after 1990, and in 1996, 435 cinemas were owned by these two chains that formerly served white and Indian areas, 120 independents served similar audiences, while only 28 cinemas served the bulk of the black population living in urban townships. One independent chain, Avalon Theatres, owned by a South African of Indian origin, fought to rectify historical imbalances via the courts and state committees committed to redressing the racist consequences of economic apartheid. As a result of restrictive practices enshrined in the defunct Group Areas Act, cinema-related businesses were assisted in overcoming historical disadvantages when seeking to break out of previously racially defined areas.

Shepperson and Tomaselli discuss a number of developments that attempted to stimulated greater equality and diversity in the movie industry after 1990, including unbundling and participation in a new and wider union of white- and black-owned capital. In the mid-1990s Ster-Kinekor combined with an African National Congress–linked black empowerment group to set up conventional cinemas in new shopping complexes built in disadvantaged areas. A subdivision created Maxi Movies video cinema franchise operations, which provides seed money and basic equipment to set up video cinemas in previously disadvantaged communities, an operation that extended to neighboring countries, such as Mozambique and Botswana. In 1997 Primedia obtained controlling interest of Ster-Kinekor and repositioned itself to meet the needs of "the largest sector of the media market," that is, the black sector, as a formula for future success. All of these developments in the distribution and exhibition sides of the South African movie industry reflected significant changes in the post-apartheid era. Attention was also directed at stimulating new developments in production, including a "New Directions" competition for directors and scriptwriters and the annual All Africa Film Awards. West African, Zimbabwean, and South African coproductions increased in 1995, and filmmakers throughout the continent made increasing use of South Africa's First World production facilities at Third World prices.

Finally, Shepperson and Tomaselli consider specific projects and wider developmental issues and contexts related to stimulating development while eliminating structural inequalities in South African cinema, including the Film Resource Unit, an antiapartheid nongovernmental organization, the Odeon Theater project, the Grand Cinema and Cafe at Orange Farm settlement, and various state initiatives for disadvantaged areas. They conclude their study with a theoretical discussion of policy and regulatory terms, such as "structure," "regulation," "market," and "transformation," terms that directly relate to domestic policies and developments, such as a White Paper in 1995 that applied transformatory contexts in France and Australia to South Africa and also influenced the Zimbabwean industry, the Film Policy Bill, and the Film Finance Division, as well as other international developments and concerns, such as connections to Hollywood.

Central and Eastern Europe

Beverly James's study of developments in the Hungarian film industry focuses upon several key contextual factors, some of which fortified Hungary's national cultural identity. These included the relative absence of political sovereignty since the Ottoman invasions of the sixteenth century and Hungary's status as a relatively small nation speaking its own peculiar language. Other factors have had profound consequences regarding film production and distribution, such as the radical political and economic shifts Hungary experienced during the twentieth century. One outcome of this turmoil, according to James, has been the emigration of large numbers of intellectuals and artists, including filmmakers. Film was introduced into Hungary within the context of expanding Western capitalism, but despite the enormous popularity of film, domestic production did not take off immediately. The Allies' blockade of the Austro-Hungarian Empire during World War I stimulated domestic filmmaking by Hungarian movie pioneers, such as Sándor Korda and Mihály Kertész. At the end of the war, Hungary proclaimed its independence from Austria and founded the Hungarian Soviet Republic, and the film industry came under public ownership in 1919. Over thirty-one films were produced during this short-lived revolution. When it collapsed, many Hungarian filmmakers left Hungary, including three Korda brothers, Alexander, Zoltan, and Vincent, who had a significant impact upon British cinema beginning in the 1930s, as well as Mihály Kertész, who eventually became known as Michael Curtiz, a successful director at Warner Bros. studio in Hollywood. The period of conservative nationalism between the world wars was a low point for many intellectuals and artists, including many filmmakers, especially those who happened to be Jewish. Despite the fact that over half of the movies screened in Hungary during this period were American, and another 20 percent were German, the nationalistic climate contributed to the revival of the Hungarian film industry during the 1930s.

During World War II, Hungarian film production increased dramatically as a result of an embargo on American, British, and French films, as well as increased sales of Hungarian films abroad. The state took full control of the industry and exercised strict censorship. After World War II, Hungarians elected a coalition government, but the Communist Party backed by the Soviet Army played a decisive role. The war virtually destroyed domestic film production, and American films dominated Hungarian screens during the immediate postwar era, but the Communist government soon rebuilt the domestic industry and enforced principles of socialist realism. By 1948 a rigid Communist government was in place, although Stalin's death resulted in reform movements that culminated in a popular revolt that was then crushed by Soviet troops in 1956.

The 1960s began a golden age of domestic filmmaking in Hungary, and the movies of several directors, such as those of Miklós Janscó and István Szabó, received international recognition. Filmmakers remained state employees, but they were organized into autonomous production groups that had a freer hand in choosing and shaping their film content and sometimes criticizing the regime in a coded language that most audiences understood. Prime Minister János Kádár made a compromise with the Hungarian people following the events of 1956— economic comfort in exchange for political quiescence. The infrastructure for movie production was significantly developed through a film school, the Academy of Theater and Film Art in Budapest, MAFILM, which provided an umbrella for Hungary's several studios, increased state support for filmmaking, and the establishment of the Béla Belázs Studio for experimental production. In the post-Communist era, the Hungarian film industry has experienced economic difficulties, as a largely market-based film industry has struggled to support itself with a relatively small domestic movie audience drawn from a country with only ten million people. Government support has been woefully inadequate, but a few coproductions, such as István Szabó's *Mephisto* and *Meeting Venus*, have opened the door slightly to international funding and distribution of movies directed by Hungarian filmmakers.

Dmitry Shlapentokh's history of Soviet/Russian movies concentrates upon the political determinants and implications of film content in a state-run economy. He argues that Soviet cinema was the product of a culture where the political agenda shaped the nature of the cultural output and that movie content was implicitly connected to the regime in the form of a direct response either to the demands of the regime or to more generalized ideological pressure. Consequently, he suggests, the history of Soviet cinema can be divided into distinct stages on the basis of major ideological shifts in the Soviet regime throughout the seventy years of its existence. He divides his history of Soviet cinema into five stages: (1) the revolutionary period, during which the political and economic systems of the regime were still in formation; (2) the Great Purges of the Stalinist period, which he characterizes as a steady shift from the revolutionary to Russian nationalism; (3) a new "Slavophilism" and stagnation under the leadership of Nikita Khrushchev and Leonid Brezhnev; (4) a period of "Enlightened Stalinism" and uncertainty in terms of direction during Andropov's reign; and (5) Gorbachev's reforms, the collapse of Communism, and the end of Soviet cinema. The revolutionary period, according to Shlapentokh, spans Soviet cinema from the birth of the Soviet regime to the late 1930s, when the political system took shape. Soviet cinematography emerged, and the film industry was nationalized and incorporated into the ideological and political machinery of the regime as part of the country's economic transformation. As a result, Soviet producers paid little attention to economic considerations when deciding what films would be made. While popularity with the public was desired, this popularity was free of any monetary considerations. The producers' well-being depended upon the benevolence of the party elite rather than the sale of tickets at the box office. The state owned everything, from studios to theaters. It prohibited the production of any film regarded as dangerous to the regime and supported those it considered ideologically useful. Films, such as *The Battleship Potemkin,* which focused upon the 1905 revolution as a "great rehearsal," and *Chapaev,* portrayed the Bolshevik Revolution as more than an event in *Russian* history, but rather as a momentous event in *global* history, ushering in the era of worldwide socialism. Shlapentokh argues that the bloody purges beginning in the 1930s forced the bureaucracy to "rejuvenate" itself, as the regime set out to change things completely, believing that it was bound for global dominance. The problems of the survival and rise of the Russian (and by implication the Soviet) state, including problems arising from hostile foreign powers, traitors, and the masses, were manifested during this period in three movies: *Ivan the Terrible, Peter the Great,* and *Alexander Nevsky.*

The movie industry began to play a new and slightly different role with the advent of Leonid Brezhnev, after Khrushchev's short rule. The Brezhnev regime was much less ideologically vigilant than its predecessors, allowing a few top intellectuals and filmmakers with worldwide fame to have more freedom for creative activity than ordinary folk. One beneficiary was Andrei Tarkovskii, who also represented a trend toward a new Slavophilism, which in the late nineteenth century had maintained that in sharp contrast to the West, Russians were the only Christian people. New Slavophilism focused upon Russians' penchant for sacrifice and collectivism as essential aspects of national character that would allow Russia to assume world leadership. Takovskii's Slavophilism was reflected by allusions to the Russian soul, its Christian essence and spiritual leadership, which ensured its great future. At the same time, his films intermingled the past and present and thereby implicitly commented upon the current regime. Andropov's "Enlightened Stalinism," while critical of the bureaucracy, was equally suspicious of the populace and almost all groups in Soviet society, with the exception of the KGB and the ruling elite, which were viewed as enlightened supervisors or parents, who performed a humane mission, saving the populace from themselves. The underlying premise of the powers that be, reflected by several films produced during the Andropov years, including *Confrontation,* was that the Soviet people had some positive qualities but were basically corrupt and needed to be directed and guided by a strong and enlightened power.

Gorbachev's reforms, Shlapentokh argues, led to a slackening of state control over Russian society, the end of the Soviet system, and the virtual collapse of the domestic film industry. Soviet films openly showed sex on the screen for the first time, and scores of old taboos appeared in films, such as *Little Vera,* in which a society of countless Little Veras, deprived of the harsh but protective rule of the party, were transformed essentially into prostitutes with numerous criminal boyfriends. The economic decline, which accelerated after the collapse of the USSR, deprived Russian movies of state subsidies, and, Shlapentokh argues, Russian films suffered at the hands of foreign competition as Russian film companies struggled to adjust to capitalism and the demands of a market-based economy. The introduction of Western movies on a mass scale had the same devastating effect as the invasion of foreign goods in other areas. Russian film producers who wished to survive adopted a sex and violence orientation that mimicked the West. At the same time, an increasing nostalgia for earlier Soviet times was reflected by the popularity of old Soviet movies on Russian television. Russian society in general and the movie industry in particular appear to be in the midst of a deep political, economic, and spiritual crisis, although a few recent movies indicate some potentially positive trends.

Western Europe

Susan Hayward focuses primarily upon economic and regulative stimulants and inhibitors to the development of the French movie industry. While the first commercial screening of film footage was accomplished by the Lumière brothers in 1895, it was the pioneering production and distribution practices (and eventually the building of their own exhibition venues from 1906 to the outbreak of World War I) of Charles Pathé and Léo Gaumont that established France as the dominant force in the international movie industry. Their vertically integrated companies created a standard that was emulated and eventually surpassed in international markets by major studios in the United States. Hayward cites several potential causes of the decline in the French movie industry during and after World War I, including some that were self-inflicted. The expansion of movie production in the United States reduced the market for French films there at about the same time that American popular entertainment products began to appeal to French audiences. The war itself, of course, disrupted the French industry. Riding high on their international success, the major French firms saw little reason to revitalize their technological contributions or review their established practices. Pathé sold off his film stock factory to Eastman Kodak, and the majors failed to sufficiently invest in the development of their own sound technology, allowing U.S. and German firms to take the initiative instead. Economic exigencies, such as the Depression, also inhibited growth, while two world wars and increased interest in location production during the 1950s and 1960s created economic uncertainties and eventually stimulated the closing down of numerous studios by the early 1970s.

Hayward also reflects upon the positive side to the decline of the French majors, however, including the rise of independent companies, which coincided with major aesthetic developments, such as the experimental and avant-garde cinema of the 1920s, the Poetic Realist movement of the 1930s, the French New Wave in the late 1950s and early 1960s, the Cinéma du Look of the 1980s, and the Cinéma de banlieue and new independent cinema of the 1990s. Government regulation of and involvement in the movie industry during and after World War II may have ensured an active role for independents and inhibited majors from monopolizing the French film industry while generally protecting France's home product from complete domination by

Hollywood. The governmental initiatives and development that Hayward discusses in this context include the state's rationalization of the film industry during the German occupation of France, which was accompanied by the repressive hand of the Vichy government. The overseeing body of the French film industry during the occupation, the Comité d'organisation de l'industrie cinématographique (COIC), renamed the Centre national de la cinématographie (CNC) after the War, has continued to the present day. The CNC has maintained control over the financing of movies, as well as box office receipts and statistics pertaining to film practices. Hayward explains the financing of French movies since 1946 in some detail. Today the financing of movies in France is complex, although direct state funding comprises but a small percentage. Hayward also discusses the government's attempt to curtail Hollywood domination, in addition to its quota systems, such as the Blum-Byrnes agreement of 1946, which was repealed in 1948, and legislative establishment of special funds for the French film industry.

In the 1950s the industry itself began a twenty-five year program of coproductions, mainly with the Italian industry, in a effort to compete with Hollywood. These coproductions diminished in the 1970s, according to Hayward, primarily due to declining audiences in France and Italy. Hayward cites a number of factors involved in the decline of movie audiences, including poor exhibition practices and the growth of the leisure industry and fragmentation of the market. Television stimulated a decline in theater attendance, but it also (eventually) established a new market for French films, since 50 percent of film broadcast must be in French. On the whole, Hayward concludes that for all its complaints of ill health and economic peaks and valleys, the French film industry is still the only state-protected film industry in the West (also protected from complete dominance by Hollywood—citing recent GATT agreements), second only to the United States internationally, if India is discounted, has benefited from EU policies and initiatives, and is still open to mavericks and independents despite or perhaps because of centralized regulatory bodies, such as the CNC.

Marc Silberman argues that the emergence of the movie industry assumed a special significance in Germany as a paradigm of modern experience and a mediator and subverter of traditional oppositions between high and low culture, art and commerce, and urbanity and domesticity. This occurred just as German society was growing into a major political and economic force. The growth of the early film industry occurred outside of the parameters of traditional cultural activity. Until 1900 tax authorities considered movies part of the show trade. By the 1910s the key factor in the industry was neither producers nor exhibitors, but rather distributors. Unlike France, where producers often distributed their own films and (as Susan Hayward points out in her chapter on France) the vertical integration of production, distribution, and exhibition provided a model for the international film industry, and unlike the United States, where producer monopolies established networks that owned and distributed film copies, in Germany many small, independent distributors emerged as the controlling force in the industry. The rise of multireel and feature films initiated momentous changes for the movie industry, including a shift toward a rationalized industrial model and division of labor in production, while the number of distributors doubled.

Until 1914 the movie industry was dominated by foreign films, since only 10 percent to 20 percent of the films appearing on German screens were domestic productions, but the onset of World War I brought significant changes, as the output of two leading filmmaking countries, France and Italy, declined, and American movies filled the vacuum. The war led to patriotic boycotts of French and British films, and by 1916 there was a general ban on movie imports. The German state, including the German War Ministry, took an interest in movie production, which culminated in 1917 in the formation of Germany's first fully integrated cinema corporation, Universum-Film Aktiengesellschaft (UFA), which drew its initial capital from secret government bonds, major banks, and heavy industry. The domestic movie industry took advantage of the chaos that gripped an exhausted Germany, having survived the war with an extensive production capacity and a renewed acceptance among the cultural elite who embraced film as a feasible economic risk. Economic inflation at home both protected the domestic industry against imports and made German films more competitive on the international market, which resulted in a boom in German movie production during the Weimar period. For a while, at least, the industry became an important competitor with Hollywood by virtue of its highly crafted, original, explicitly conceived artistic products. German films still made up only 50 percent of the films screened domestically, and the percentage of U.S. films gradually increased as wartime import restrictions were lifted during the 1920s, and German theaters were flooded with American popular entertainment. Hyperinflation nearly collapsed the German economy, and the movie industry entered into financial agreements with Hollywood majors that made it less competitive internationally. The introduction of sound technology, however, eventually stimulated the production of German-language films, and by 1930 the movie industry had survived this technological transition against the threat of complete American domination, although the Depression reached Germany with full force in 1931.

By 1933 National Socialists, including Adolf Hitler and Propaganda Minister Joseph Goebbels, had seized political power and instituted various reforms, including the establishment of a semigovernmental bank that subsidized film financing, professional organizations, and censorship laws that attempted to stabilize the industry while morally sanitizing film content. While it restricted and eliminated Jewish elements within the industry, the Third Reich remained one of the strongest European producers of movies while maintaining the second largest market for films internationally during the 1930s. Economic problems and propaganda objectives eventually led to a major restructuring of the industry into a state-held vertical monopoly by 1942, and the conclusion of World War II virtually destroyed Germany's substantial studio capacity after 1943 and led to a dismantling of the National-Socialist infrastructure after the war.

Prior to the economic miracle, the film industry, which was divided between socialist East Germany and capitalist West Germany, languished after the war. Currency reform brought some economic stability as American, British, and French movies flooded West German cinemas, while the government-directed film industry in East Germany was subordinated to political ideology and never treated as a commercial enterprise. When the GDR collapsed in 1989, East German films had a reputation for craftsmanship but also a rather conservative aesthetic style and political content, and the industry never experienced the international recognition achieved by some other Eastern European countries, such as Poland, Czechoslovakia, and Hungary. "New German Cinema" in West Germany, however, achieved considerable international recognition, although it existed in parallel to the commercial industry and was stimulated at least in part by governmental initiatives and eventually public television. While it accounted for as much as 80 percent of the country's annual production, it drew only 4 percent to 10 percent of the box office receipts, and it was never commercially viable. The unification of East and West Germany in 1990, Silberman points out, introduced new competitors, including an expanded talent pool and television system and a different public sphere. In the 1990s Germany continued to produce about sixty to seventy movies annually, but half of these films sold less than twenty thousand tickets, and the most successful films at home, comedies, have been difficult to market abroad. Germany remains the second largest export market for American hits after Japan.

Cristina Degli-Esposti Reinert suggests that among the first investors in the early Italian movie industry were nobles and wealthy people, who initially viewed the movies more as a viable economic investment than as a medium of social and cultural development. Substantial development of production facilities occurred between 1904 and 1908 at Ambrosio and Itala Film studios (which produced the epic film *Cabiria* and the *Maciste* strongman series and became part of UCI in 1919) in Turin and Cines studios in Rome. Increasing private investment in these companies helped them to compete internationally with French, American, and other major film industries prior to World War I. Cines opened branches in New York and most European capitals and produced longer duration spectacles that revisited Italian history, especially Imperial Rome, attracting middle-class audiences. Degli-Esposti Reinert argues that Italian producers became more interested in the cultural appeal of their product and considered the industry as an artisanlike adventure that was following the country's centuries-long tradition of craftsmanship, an approach adopted in other industries, such as automobiles and textiles. Major literary figures helped larger studios bring film to the same cultural level enjoyed by theater and opera. Although the Italian movie industry benefited from relatively low-cost labor, it became increasingly difficult for more artistic Italian films to compete internationally with popular entertainment abroad. By 1915 a few production houses closed, and the economic health of the industry slowly began to deteriorate.

World War I stimulated a major economic crisis that affected the movie industry, and Italy opened its domestic market to American films. In a further attempt to stem this crisis, three major banks provided thirty million lire for several studios to combine as the Unione Cinematografica Italiana (UCI), which helped to sustain the industry between two world wars, although few Italian films achieved the international recognition afforded historical epics or neorealist film produced before or after this period. In 1922 the Fascist regime came to power, and by 1924 the L'Unione Cinematografica Educativa (LUCE) began producing propagandistic documentaries and newsreels. The industry adapted to the coming of sound and several economic crises, stimulated in part by the Depression and combined Italian and Hollywood cinematic approaches, by initiating a series of lighter comedies and the *telefoni bianchi* genre, or white telephone films, where every interior had a white telephone, giving a refined aura to the story and mise-en-scène. In the mid-1930s, government support and involvement in movie production increased with the Direzione Generale per la Cinematografia and the founding of a film school, the Centro Sperimentale di Cinematografia. Degli-Esposti Reinert argues that the goal of creating a production structure comparable to Hollywood's was enhanced by the opening of Cinecittà studios in 1937 and the closure of Italian markets to American films in 1938, moves that followed the Fascist government's identification of cinema as a "weapon of the regime." While film production continued during World War II, it was drastically curtailed after 1943 when Mussolini was ousted.

After the war, despite deplorable studio and filmmaking conditions and a lack of government support, a number of location-filmed neorealist movies achieved considerable international recognition. Few of these films were very successful at home, however, where the predominance of American films stimulated a major crisis in 1949. The passage of the Andreotti Law attempted to stimulate the domestic industry by taxing imported films and mandating the screening of Italian films. The government became openly hostile to the negative images of Italy supposedly perpetrated by neorealist films, and the film industry again came under state control. The film industry promoted several successful genres at the end of the 1950s, including "cinema d'autore," "comedy Italian style," and "spaghetti Westerns," which encouraged a strategy of marketing a limited number of films whose artistic quality would ensure box office success both at home and abroad. Production houses expanded between 1965 and 1970 to more than four hundred, Italian films took in more money domestically than American films, and national film production benefited from advance payments from societies of distribution. In the 1970s state-owned television joined in the process of making films, although Degli-Esposti Reinert argues that in the long run, cooperation with television, which has experienced increasing power over the past few decades, brought about a slow decline of the cinema at all levels while providing an additional source of revenue. She argues further that by the 1980s, the models and genres that brought about a resurgence of the industry had exhausted themselves, and filmmakers looked back to neorealist traditions with a cinema of commitment that allowed for a mannerism of their own. At the same time, the increasing influence of television was reflected by film styles adopted during the 1980s and 1990s. By the mid-1990s, film theaters and audiences had declined to about one-fifth of their 1960s and 1970s size and status, and domestic film production represented only 12 percent to 30 percent of the total Italian market.

Northern Europe

Andrew Higson argues that movie production has undoubtedly been the most insecure and chronically underfunded sector of the British movie industry, while its film market, measured in terms of cinemas, seats, and box office admissions, has been one of the strongest in the world. The most powerful distributors and the majority of films shown on British screens are (and have been since the mid-1910s) American. A duopoly (never monolithic and thus providing space for independent production) maintained by two large combines, British International Pictures (BIP), which became Associated British Picture Corporation (ABPC), and Gaumont-British, which was taken over by Rank, dominated the British film economy for almost one hundred years of cinema in Britain.

The overseas distribution arms of the American majors have effectively controlled the British distribution market since the mid-1910s, latterly in collaboration with these vertically integrated British corporations. Some British films have been successful at the box office, of course, but British film production has never been as extensive, well organized, or well funded as Hollywood studio production nor has it achieved the same scale of economic success. The relatively large and well-organized British market has never approached the profitability and size of the American market, which alone could cover production costs of high-budget movies, allowing American distributors to charge lower rental fees abroad. The British market, on the other hand, was never large enough to cover the costs of very expensive movies, despite the extravagant ambitions of some British film producers. In addition to these economic factors favoring American over British films, which share a common language, Higson cites the style and content of American films themselves, which appealed to the ordinary people bound by class, custom, and cultural capital through their narrative energy, simplicity, veneer of glamour, and the upward mobility of characters in an apparently dynamic, enterprising, and socially open modern nation. "Big-budget" British movies imitated the Hollywood style but rarely were as well funded. Modestly budgeted British films, such as working-class comedies, built upon recognizably indigenous cultural traditions, such as those of the British music hall, and performers with well-established extra-cinematic audiences but had limited appeal abroad. Quality adaptations of the works of canonical English literary authors, from Shakespeare and Dickens to E. M. Forster, have been somewhat more successful abroad, but they have had to secure distribution and exhibition contracts both at home and abroad in an industry accustomed to generating profits by handling American films. To some extent, Higson argues, these two production strategies, that is, the production of expensive "international" films, which mimic Hollywood, and of low-budget indigenous genre films aimed at the indigenous market, can be correlated with two different branches of the British film production sector. These two branches are the vertically integrated majors, such as Gaumont-British and Rank, and the smaller independent companies, such as Butcher's or Merton Park, respectively. Given the limited economic success of either strategy in comparison to American movies that have dominated both British and American screens, the greater proportion of movie industry capital and entrepreneurial energy in Britain has been invested in the more profitable and less risky exhibition sector, rather than in the chronically underfunded production sector, since the early 1900s.

Higson concludes his chapter by probing the complexities of the idea of a national cinema in Britain and various attempts by the industry and government to promote British cinema and/or respond to American domination. He identifies three relatively distinct economic policies adopted by the industry in response to American domination and control: collusion with Hollywood, competition in the international marketplace, and product differentiation in the domestic marketplace, as well as attempts to create economics of scale via international cooperation, such as "Film Europe" in the 1920s and more recent European Union audiovisual policies. State regulation, he suggests, has taken both ideological and economic forms, including various censorship regulations carried out by the British Board of Film Censors/Film Classification, quota measures, such as the 1927 Cinematograph Act, and various taxes on movie importation and admissions, such as the post–World War II abortive *ad valorem* tax on American films and the Eady Levy on box office admissions, which channeled money back to eligible British movie producers. More recently, Higson argues, the British industry has had to cope with declining admissions, the increasingly important role of electronic media, the emergence of American-owned multiplex circuits, which have broken the duopolistic control of exhibition, and increasing dependence upon state funding and/or some degree of American financing of British productions. From the 1910s to the present, he concludes, the American presence has shaped the destiny of the British film industry.

Leif Furhammar's chapter on the history of the Swedish movie industry focuses upon the industry's foreign affairs and its connections with other national film industries. Initially, Sweden established connections with several French firms. Furhammar points out that Alexandre Promio's use of the Lumière brothers' *cinématographe* to document the arrival of the Swedish royal family and his training of Ernest Florman, a Swedish royal court photographer, as an apprentice in 1897 was part of a marketing scheme for this new technology to excite royalty and legitimize the new medium. Despite Florman's subsequent involvement in several Swedish short documentaries, imported film material dominated the first ten years of Swedish film history, until the arrival of AB Svenska Bio, which was headed by Charles Magnusson, who began filming stories based on scenes from well-known Swedish plays in 1909. By 1911 Svenska Bio moved to a newly built Crystal Palace film studio in Stockholm and hired three promising film directors: George af Klercker, Victor Sjöström, and Mauritz Stiller. Magnusson reached an agreement with his strongest competitor, Pathé Frères, that allowed Svenska Bio to benefit from Pathé's international distribution network and filmmaking expertise, but this relationship deteriorated by 1913 as France's domination of international markets began to decline, and Denmark's Nordisk Film Compangni appeared to be a better partner. In 1916 the Allied powers in World War I banned some Danish filmmakers who favored the German market, and Magnusson ended his relationship with Denmark as its film empire began to crumble. Furhammar suggests that World War I had a positive impact on the Swedish film industry, because it was virtually unaffected by the war. Sweden's two outstanding directors during this period, Sjöström and Stiller, achieved international success in part due to the chaos confronted by foreign competitors during the war. A second major studio, Skandia, which was organized by Hasselblad, a photo equipment manufacturer in Gothenburg, relocated to Stockholm and eventually united with Svenska Bio to form Svensk Filmindustri (SF) at the end of 1919.

The hopes and aspirations for Swedish expansion into international markets were soon dashed, however, by an invasion of American films and companies, which opened subsidiaries and not only dominated international markets but also threatened Sweden's domestic market as well. U.S. firms also enticed some of Sweden's best talent to travel to Hollywood, including Sjöström, Stiller, and actress Greta Garbo. In the mid- to late 1920s, production levels declined in Sweden to the point where Swedish films made up less than 3 percent of its domestic market compared to 70 percent for U.S. films. To counter American domination, Sweden joined a German initiative (Nord-Westi), and the emphasis shifted from grandiose art films to more commercialized films that imitated Hollywood formulas; however, the new production focus proved to be a complete failure, as did a subsequent one with England as a production partner. As SF contemplated a cessation of all production, sound was introduced. Swedish film audiences once again found Swedish films attractive, reestablishing a sense of balance in the domestic market, although the most noticeable export from Sweden in the 1930s was actresses, such as Ingrid Bergman.

Furhammar suggests that the Swedish film industry, consistent with Swedish neutrality, entered the International Film Chamber, which was dominated by German and Nazi political interests in 1935, to balance European power to American cultural interests but compromised Swedish integrity in the process. During the war the Swedish film industry benefited from political neutrality, not least in terms of dominating its own domestic market and exporting films to Nazi occupied countries. A committee within Sweden censored films that might be disruptive to relationships with foreign powers, although in 1942 the Swedes took a stand against the German ban on American films. Following the war, Swedish film experienced world fame through the works of award-winning directors, such as Arne Sucksdorff, Alf Sjöberg, and Ingmar Bergman. It also developed a reputation for erotic openness.

In the 1960s, despite its apparent artistic success and notoriety, the film industry experienced its worst crisis since the 1920s, with the loss of more than half the domestic film theater audience to television over a span of just seven years. The Swedish Film Reform in 1963 imposed a 10 percent tax on film theaters; the tax was paid to the Swedish Film Institute Fund and used to stimulate the production of quality Swedish films, in effect using foreign films to pay for Swedish productions. A similar situation resulted from the introduction of videocassettes, but the Film Institute's power over production gradually decreased, and domestic funding resources could no longer provide sufficient funds for Swedish film productions, resulting in more coproductions, especially with other Nordic countries, as well as television financing in return for television versions of feature films, such as Ingmar Bergman's *Fanny and Alexander.* More recently, Furhammar suggests, international investments in Swedish filmmaking have also increased by virtue of a stronger European Union.

South America

Randal Johnson argues that the Brazilian movie industry has been marked by underdevelopment since its inception by virtue of its economic dependence. By the 1910s foreign cinemas had already established firm control of the Brazilian film market, leaving little space for national product, which frequently developed in isolated and short-lived cycles. Despite occupying a minority position in the market, one hundred (mostly one-reel) Brazilian films were produced each year between 1908 and 1911, which has since been called *Bela Época* of Brazilian cinema. Brazilian production dropped precipitously in 1911 when the *Bela Época* gave way to the "decade of penury," as film renters appeared, providing foreign films to exhibitors at competitive prices and driving a wedge between domestic producers and exhibitors. The outbreak of World War I made raw stock more difficult to obtain, and the war soon eliminated America's European competition. In 1915 and 1916, Fox and Paramount, respectively, set up their own distribution outlets in Brazil, and during the 1920s, Universal, MGM, Warner Bros., First National, and Columbia followed their lead. Although Brazilian feature film production never ceased to exist, Johnson points out that it was sporadic and artisanal rather than continuous and industrial.

The advent of sound in the late 1920s and the prospect of making Brazilian films in Portuguese brought renewed optimism to those who were committed to developing an indigenous film industry, but this optimism was short lived, and sound actually contributed to the decline of domestic production in the 1930s, Johnson argues. The failure of Vera Cruz to recoup the high cost of sound production in the domestic market or to reach the international market sent shock waves through the industry and eventually led to alternative, independent, artisanal modes of production, which blossomed somewhat later in the internationally acclaimed Cinema Novo movement in the 1960s. Cinema Novo determined that the foreign-controlled market could not provide an adequate return on expensive studio production and opted instead for an inexpensive small crews, location shooting, and nonprofessional actors. Cinema Novo films were released through commercial circuits designed for the exhibition of foreign films. The Brazilian public was initially unreceptive to films made by and for an intellectual elite, but steps were taken to ameliorate the problem of reaching a broad audience by producing films with more popular appeal. Previously, even at the turn of the century, the types of films initially produced and the film-going public in Brazil were historically conditioned by the standards of European and American cinema, which dominated local markets at that time. In large part because of that domination, the Brazilian movie industry eventually became dependent on government support for its survival. State intervention in the film industry dates from the early 1930s, when the first of a long series of protectionist measures, most in the form of screen quotas for national films, were instituted. Since the 1930s and especially after 1964 the state role evolved from that of regulator of market forces to an active agent and productive force in the industry through various forms of production financing. State support of the movie industry, such as the creation of the Instituto Nacional do Cinema (National Film Institute) in 1966, Johnson argues, led to the unprecedented success of Brazilian cinema in the late 1970s and early 1980s, while distortions of government film policy, which culminated in Collor's elimination of government financing in 1990, contributed to its rapid decline in the early 1990s. Between 1974 and 1978 the total number of spectators and Brazilian cinema's share of its own market doubled, while the 1980s witnessed a downturn that reversed the economic growth of the previous decade and reflected the larger crisis of the national economy as the so-called "economic miracle" was replaced by an economic nightmare of foreign debt and near hyperinflation. A combination of state and private sector investment stimulated the reemergence of Brazilian cinema in the mid-1990s, Johnson suggests, but in every case the viability of the traditionally undercapitalized and unprotected Brazilian film industry has been based upon state support.

North America

In her history of the Mexican movie industry, Joanne Hershfield argues that four specific sets of internal and external pressures structured Mexican national cinema: (1) the U.S. movie industry's worldwide domination of distribution and exhibition by World War I, including the Latin American film market; (2) national and international crises, including the Mexican Revolution and the Great Depression; (3) shifting relations between the Mexican state and the film industry and between the Mexican and U.S. governments; and (4) changes in the film industry's relation to its audience. The Mexican movie industry, Hershfield suggests, was initially a private venture among independent entrepreneurs who produced primarily newsreels and documentaries. Hollywood and Europe, of course, offered a continuous supply of new films to enterprising Mexican businessmen who controlled the Mexican market. By 1910, 95 percent of the capital invested in film production, distribution, and exhibition was national, and many Mexican films celebrated the nation by documenting its landscapes, indigenous cultures, and political pomp and circumstance. Although commercial filmmaking came to a virtual standstill during the Mexican Revolution (1910–20), documentaries about federales encounters with revolutionaries remained popular. U.S. entrepreneurs invested in Mexican distribution and exhibition during this period, and by the late 1920s, Paramount, MGM, Twentieth Century-Fox, Warner Bros., and RKO had established distribution branches in Mexico City. They circumvented local distributors by offering better deals to exhibitors. Mexican productions could not compete in terms of output or production values, and the government finally, in the late 1920s, initiated protectionist legislation, which required foreign distributors in Mexico to purchase and distribute at least one Mexican film each year in their own domestic market while Mexican exhibitors were required to show two reels of film each week devoted to national subjects. But such films were in short supply and heavily taxed, and as a result, by 1928, 90 percent of all films exhibited in Mexico were produced in the United States.

Nonetheless, Mexican audiences maintained an interest in the few Mexican films that were produced during the silent era, paving the way for the golden age of Mexican cinema that followed the coming of sound. Mexican sound films also appealed to audiences in other Latin American countries, especially those who rejected Hollywood dubbing that mixed Latin American and Andalusian accents as well as millions of illiterate people in Latin America who could not read subtitled versions. The global economic depression of the 1930s created an impetus for increased industrialization and economic self-sufficiency in Mexico, and the movie industry prospered under nationalization policies, including protectionist measures, that connected Mexican cinema to each succeeding six-year presidential regime. With the advent of World War II, U.S. business interests increased their penetration of Latin American markets, resulting in additional protectionist measures, such as stricter censorship, in Mexico and helping to increase domestic production in conjunction with increased private local capital and U.S. financial investment. A production boom, which resulted in the production of seventy Mexican films in 1943, did not significantly threaten U.S. interests, however, since more than 95 percent of six hundred movies exhibited in Mexico annually were imported from the United States.

After the war, Mexican cinema declined as European markets reopened to U.S. firms, the U.S. withdrew its wartime support of the Mexican film industry, and more conservative governmental initiatives failed to stimulate domestic production. Mexico became increasingly dependent upon Hollywood at the same time that foreign markets for Mexican films shrunk as other Latin American countries expanded their domestic industries. Sociopolitical unrest affected the film industry during the late 1960s and was followed by the Echeverría regime's attempts to develop a strong film industry devoted to "national cinema" during the 1970s. Support for younger, more radical filmmakers increased, and three new production companies were established. While these developments opened doors for independent filmmakers, Hershfield suggests that they did not economically revitalize the ailing Mexican film industry. In 1976 only thirty-five films were produced in Mexico, and most of these received some form of state support. Privatization was reactivated by the Portillo regime, which reversed the prior administration's initiatives, but also failed to reinvigorate the industry. Corruption and mismanagement appeared to stifle domestic production while promoting foreign cinema, especially Hollywood movies during the 1980s as well, despite the state's attempts to promote independent filmmaking and strengthen Mexican cinema. Hershfield argues that the Mexican film industry managed to survived from the 1960s through the 1980s not through private investment or box office support but through state intervention and support.

In the 1990s Salinas began negotiating the North American Free Trade Agreement (NAFTA) and made a commitment to establish a free market economy in Mexico. Ironically, Mexican films enjoyed unprecedented international acclaim at the same time that private investors were withdrawing their support from the industry and Hollywood's share of Mexico's screen time dramatically increased. Box office receipts tumbled as VCRs and made-for-TV movies proliferated and audiences stayed home during the mid-1990s. At the same time, the devaluation of the peso stimulated another economic crisis. Today, Hershfield argues, the Mexican film industry is competing not just with American films but also with multinational coproductions aimed at international markets. Mexican dependence upon the United States has forced it into accepting international free trade agreements that threaten its domestic film industry, and the future of Mexico's national cinema, Hershfield suggests, seems grim. At the same time, Hershfield questions the myth of a Mexican nation upon which the idea of national cinema depends, given the diversity of Mexican culture resulting from various migrations, deterritorializations, and reterritorializations. Nonetheless, she suggests that throughout its history, state intervention and protectionist policies have bolstered the Mexican movie industry and sustained a cinema devoted to various elaborations of Mexican histories and identities, and she advocates a "national cinema" that doesn't necessarily compete for global markets but rather aims to satisfy more local audiences.

In his chapter on the Canadian movie industry, Peter Morris focuses primarily upon domestic production, and like Subramanyam's discussion of Indian national cinema, Morris raises questions about the idea of a single national Canadian cinema. He suggests that two of the defining characteristics of film in Canada have been the persistence of regionally based production and the domination of feature film distribution and exhibition by Hollywood. Canada has never been protected by a distinctive national language and has shared one of its languages and lived alongside the world's most powerful movie industry, having been considered a part of Hollywood's domestic market since the 1920s. Federal and provincial governments resisted protectionist measures until 1968, an industrial base for film wasn't established until the 1970s, and even today Canada lacks centralized production studios. Movie production has been spread across the country in uncoordinated efforts and remained quite distinct structurally from distribution and exhibition. Nonetheless, Canadian film producers have persisted despite these limitations, producing sixty feature films by 1939 and developing an international reputation for effective documentaries even before the National Film Board of Canada (NFBC) was established. While feature film production remains somewhat problematic today, despite an increased range of funding and tax policies since the 1960s, Canada is now the world's second largest exporter of television programs after the United States.

From the inception of cinema through about 1912, the Canadian Pacific

Railway's use of film as a tool to promote immigration was characteristic of movie production in Canada. Actualities dominated domestic production, while Hollywood movies projected images of Canada that became dominant worldwide. Production of Canadian dramatic entertainment films increased between 1912 and 1923, as thematic emphasis was placed upon Canada and its own history, reflecting a self-conscious nationalism generated by the war—at least in English Canada—but no single major production center emerged. Novels by Canadian writers were often adapted to the screen for films shot on location rather than in studios. The collapse of Canadian movie production in 1923 coincided with Hollywood's international expansion and domination of other national film industries and specifically with its control of Canadian theaters. It also coincided with an increase in the production of Hollywood films with Canadian content, which generally depicted Canada simplistically as a land of ice and snow, mountains and Mounties. Domestic production of films, which often blended fiction and nonfiction, did not revive again until the 1930s, when British law required that movie theaters show a percentage of films produced in Britain or the Commonwealth.

British documentarist John Grierson's arrival in 1938 transformed film in Canada with the establishment of the NFBC, which provided the principal focus for Canadian film production for two decades. Grierson was adamantly opposed to the development of a feature film industry in Canada because of its small population and proximity to the United States. After World War II, a renewed sense of nationalism revived interest in developing a feature film industry, but Hollywood succeeded in maintaining its dominant position and in preventing the government from subsidizing domestic production by taxing Canadian box office revenues. Production of French-language films nonetheless expanded in Quebec after the war. At the same time, the NFBC continued to grow in strength and stature, and production expanded in new areas, including dramatic films, experimental productions, animation, and films for television—following Grierson's departure in 1945 and a move of facilities and personnel from Ottawa to Montreal in 1956, which stimulated a major expansion in original French-language production. Not until 1957, however, was feature film production undertaken in any meaningful way.

By the 1960s Canadian film production followed two basic models, an industrialized Hollywood model that dominated production during the 1970s and an approach influenced by the French New Wave, which returned to prominence in the 1980s. Both approaches led to a dramatic increase in Canadian production and the latter at least to increasing international critical recognition. However, Canadian films, then and now, never exceeded 2 percent to 4 percent of screen time in Canadian movie theaters, as U.S. majors continued to dominate film distribution and exhibition in Canada. In 1968 the federal government began to support domestic production and established the Canadian Film Development Corporation (now Telefilm Canada). Eventually, tax incentives attracted potential investors, as film was defined as a cultural industry. This led to an unprecedented boom in commercially oriented domestic productions that were also heavily criticized as too Americanized. Since the 1980s a new kind of low-budget, independent cinema has emerged in Canada, as feature film production has become increasingly isolated from television production. This "New Wave," Morris suggests, has featured new, young filmmakers whose films have questioned the individualism inherent in Hollywood films and the American dream and the relationship between alienation and the media, pinpointing a primary source of cultural disaffection in Canada. Morris concludes his chapter by suggesting that the feature film industry has returned to an emphasis upon art films at the same time that the television industry has become increasingly commercial and less identifiably Canadian, producing series, such as *Due South* and *La Femme Nikita*, primarily for export.

My chapter on the United States movie industry uses industrial analysis to examine the emergence and shifting patterns of the industry's market structure over the past one hundred years. Industrial analysis reveals a persistent tendency toward the concentration of power in the hands of a few companies who have dominated both domestic and global film markets since at least World War I. Drawing upon European developments and his own ingenuity, Thomas Edison established a technological and economic foundation for a U.S. movie industry in the 1890s. Edison and W. K. L. Dickson developed the kinetograph camera and kinetoscope projector, which was commercially marketed as a single-viewer installation in penny arcades and elsewhere following the Columbian Exposition in Chicago in 1893. But it was not until 1896 at the Koster and Bial's Music Hall that Edison publicly projected films. Vaudeville became a major exhibition outlet for movies in the 1890s, but storefront theaters, or nickelodeons, devoted exclusively to movies dominated film exhibition in the mid-1900s. Industry power, however, resided in film technology patent holders who also produced short films distributed by film exchanges. Major foreign producers, such as Pathé, which became the largest film company in the world in part through the international distribution of its films, set up agents and sales offices in the United States. This helped to prevent U.S. companies from making and selling duped copies of their films. In 1908 a virtual monopoly, called the Motion Picture Patents Company (MPPC), was established in the U.S. movie industry by the seven largest domestic film producers, in addition to Pathé, Kleine (a distributor of foreign films), and Méliès, another French company. Edison's patent suits between 1897 and 1908 had eliminated most of the domestic competition in terms of equipment manufacturers, except for the Biograph Company, and the formation of the MPPC represented a truce in their patent wars. The MPPC became the exclusive buyer of Eastman Kodak film, and it organized and exercised monopolistic control over each segment of the movie industry and eventually established its own distribution company.

Independent producers, exchanges, and exhibitors effectively competed with the MPPC after 1912, when newly elected President Wilson began an era of trust-busting, and the MPPC became reticent to enforce sanctions. Independent producers actively promoted a number of important innovations in the industry, including the star system, a migration to Hollywood, a studio system, which was established in 1915 by Thomas Ince, and feature films, at about the same time that movie palaces began to appear. During and following World War I and aided by the Webb-Pomerene Export Trade Act in 1918, which allowed U.S. firms to form cartels that were prohibited domestically to exploit foreign markets, Hollywood became a dominant force in the international movie market. Studios became involved in exhibition as exhibitors became involved in production, leading to vertical integration of production, distribution, and exhibition within single firms. All of the major studios during the 1920s were vertically integrated companies that owned substantial numbers of theaters. The coming of sound helped early innovators, such as Warner Bros. and Fox, at the same time that it ended many silent film stars' careers. By the end of the 1920s, an oligopoly that would dominate the U.S. movie industry for the next twenty years was clearly established, consisting of the "Big Five" majors (Warner Bros., Loew's/MGM, Paramount, Radio-Keith-Orpheum (RKO), and Twentieth Century-Fox) and the "Little Three" minors (Universal, Columbia, and United Artists). Although box office receipts fell dramatically in 1931, all of these firms managed to survive the Depression, aided in part by Roosevelt's 1933 National Industrial Recovery Act, and the Hollywood studio system solidified its structure and control during the 1930s and 1940s. The Big Five owned just 15 percent of all movie theaters in the United States, but the vast majority of these were first-run theaters that took in over 70 percent of total U.S. box office receipts.

World War II disrupted many foreign markets, but after the war, Hollywood films dominated European and other markets, and by the 1950s, 50 percent of its income came from foreign film distribution. The expansion of foreign markets coincided with a contraction of Hollywood's domestic market and dramatic structural changes that occurred within the industry. Declining attendance at home accompanied social changes, such as migration to the suburbs and alternative leisure time activities, as well as the rise of television. The conclusion of a major antitrust suit, the Paramount case, resulted in the end of vertical integration and the rise of independent production. Many U.S. feature films were made abroad, and by the 1960s foreign films accounted for nearly 10 percent of the North American market. However, this figure dropped to less than 1 percent by the 1990s, while U.S. productions, which represented less than 10 percent of the world's total movie output, continued to receive about 50 percent of the world's screen time and movie rentals.

A bilateral (symbiotic) oligopoly shared between six major distributors and a dozen exhibition changes emerged in the 1970s, and the top three distributors accounted for about 50 percent of all domestic rentals. Major movie distributors became part of major conglomerates and multinational corporations, resulting in increased product homogenization and an intensified blockbuster mentality. On the exhibition side, theaters decreased in size as screens grew in number within multiple cinemas, especially in suburban shopping malls, and as cable and satellite TV expanded. At about the same time, the video market grew substantially and accounted for almost 60 percent of movie industry rentals and sales worldwide by the mid-1990s. Throughout the past century, the movie industry has significantly changed, but the tendency to concentrate ownership in the hands of a few firms both domestically and internationally has remained remarkably constant. High levels of investment in movie production and advertising, a relatively large and lucrative domestic market, which has been dominated by major Hollywood companies, and the ability of these major firms to form cartels overseas have given the U.S. movie industry a clear economic advantage over foreign competitors in global markets.

The U.S. Role in the International Movie Industry and Responses to Hollywood

As stated earlier, an important recurring issue and pattern that arises in many chapters is the attempt to position domestic developments in relation to a very prominent foreign competitor, such as Hollywood. Prior to World War I, the Italian and the French film industries pursued and secured many foreign markets, and the latter achieved a leading international position. Since that time, the U.S. movie industry has played a leading role internationally, stimulating many countries to adopt protectionist measures, such as tariffs and quotas, and various marketing strategies designed to successfully compete with Hollywood films both at home and abroad.[1] As a result, the issue of interaction and competition with the U.S. movie industry figures prominently in many of the movie industry histories presented in this book and raises a number of important questions about the U.S. role in the international movie industry and various responses to Hollywood.

When did the United States achieve a leading position in the international movie industry? How was this position obtained and maintained, and what are some of its implications? Extant research, including the work of several chapter authors in this book, suggests that foreign firms, such as France's Pathé Frérès, accounted for more than 50 percent of the United States' own *domestic* market until 1909.[2] Pathé was still the largest single producer of films for the U.S. market as late as 1911. The formation of the Motion Picture Patents Company (MPPC) in 1908 organized U.S. film production, helping member companies meet the increasing demand for movies and reducing foreign firms' share of the domestic market, and in 1909 American producers began a systematic push into foreign markets. In 1910 independent production companies, such as Carl Laemmle's IMP, which eventually became Universal, consolidated under the Sales Company, and began to produce a significant number of films as well. By the end of 1914, over 90 percent of the domestic market was controlled by U.S. firms. With increasing control of the domestic market, U.S. firms began expanding their penetration of foreign markets. By 1917 U.S. firms played leading roles in most international feature film markets, and they have maintained a leading economic position to the present day.

How was America's economic importance in the international movie industry obtained and maintained? Using Frederick Scherer's as well as Robert C. Allen and Douglas Gomery's models for industrial analysis, it is possible to isolate a number of important factors of supply, demand, and market structure that may have helped the U.S. movie industry secure a leading economic position internationally by 1917 and maintain it thereafter.[3]

Supply	**Demand**	**Market Structure**
Raw Materials	Price Flexibility	Number of Buyers and Sellers
Technology	Rate of Growth	Monopoly/Oligopoly/ Competition
Business Attitudes	Substitutes	Product Differentiation
Unionization	Purchase Method	Barriers to Entry
Public Policies	Seasonal Character	Vertical Integration

Each of the following developments in terms of supply, demand, and market structure may have played a role in helping U.S. firms secure a leading position in international movie markets by 1917.

Supply

- Increasing efficiencies and economies of scale achieved through the studio system, the centralization of production in Hollywood, and block booking and blind bidding/selling distribution practices
- World War I's disruption of European film production
- Increasing numbers of motion picture theaters, including movie palaces
- A shift from London to New York as the main foreign distribution center and opening up increasing numbers of U.S. distribution offices abroad
- A general shift in the U.S. role in the global economy from the exportation of food stuffs to manufactured goods

Demand

- A steady and dramatic increase in the demand for movies both domestically and internationally
- A growing public infatuation with Hollywood movie stars and an increasing ability of the U.S. industry to promote and exploit this infatuation through advertising promotions, publicity, and public relations
- The appeal of American values and popular culture to middle-and working-class audiences abroad

  > [I]t would be unreasonable to attempt to explain the success of American films in Britain in purely economic terms, or in terms of marketing hype. Audiences have to enjoy the films if they are to be successful: As commodities, they have to be desirable. It is certainly possible to argue that the narrative energy, the performative skill, the romantic engagement, the stylistic simplicity, and the veneer of glamour that marks so many Hollywood films ensures that they are indeed highly desirable products. Add to that the fact that so many of these films tell stories of people achieving the goals they set themselves, in the context of the apparently most dynamic, enterprising, and socially open of modern nations. No wonder then that such films appeal to the ordinary people of Britain, a nation so evidently bound by class, custom, and cultural capital. There is also, of course, the small question of a shared language. (Andrew Higson, chap. 15)

- Increasing government-industry cooperation, including the industry's support of the war effort, President Woodrow Wilson's support of the U.S. film industry, and the formation of the Committee on Public Information's Division of Films, which took educational and commercial American films into markets around the world
- A rise in U.S. recognition abroad stimulated by the decline of isolationism and U.S. involvement in World War I

Market Structure

- Concentration of production and distribution power in the hands of a few studios permitting economies of scale and an escalation of production budgets, for feature films, movie stars, and higher production values
- Domination of the domestic market, which allowed U.S. films to amortize costs domestically and competitively price their films abroad
- Hollywood's increasing emphasis upon and penetration of non-European markets in Asia and Latin America accompanying the disruption of European film production and markets
- Product differentiation through popular genres, such as individual comic performers, the star system, and feature films

Each of the following factors (in addition to some of those cited above) may have played a role in helping U.S. firms maintain a leading position in international movie markets from 1918 to the present day.

Supply

- Increasing efficiencies and economies of scale achieved through vertical integration, industry concentration, and diversification through mergers, conglomerates, and multinational corporations, as well as commercial tie-ins and product placements, etc.
- Importation of foreign talent to supplement Hollywood talent and eliminate competition

> Hollywood was not only a set of film techniques; it was also a successful formula combining technology, management, craftsmanship, and entertainment that challenged dearly held prejudices in Germany about the relationship between commerce and art. Indeed, America's ascension to the leading economic power in response to the vacuum created by the European collapse after World War I became the single most important factor for the movie industry. At the same time, Hollywood studios were concerned both about German competition in its own backyard and in the European export territory. As a result, they sought to learn from the Germans by buying up some of its best talent with attractive salaries. (Marc Silberman, chap. 13)

- Production of foreign language versions of Hollywood films through multiple versions produced abroad, dubbing, and subtitling

> While the shift from silent to sound films in Mexico required an enormous input of capital, it also created language barriers that helped bolster national film industries in several Latin American countries including Mexico. Hollywood studios attempted to maintain their dominance in Latin America through the production of Spanish-language versions of their films. However, Latin American audiences rejected Hollywood's "Spanish" sound films, with their mixture of Latin American and Andalusian accents and subtitled films that were incomprehensible to millions

> of people in Latin America who were illiterate. (Joanne Hershfield, chap. 18)

- Increasing production of technologically sophisticated and expensive blockbusters
- Increasing development of multi-cinemas and product spread to spread risk over multiple films

Demand

- Stimulation of demand through increasing expenditures on advertising
- Appeal to foreign audiences through importation of foreign talent and runaway production (e.g., overseas production and coproduction)
- Increased governmental-industry interaction and support through Webb-Pomerene Export Trade Act of 1918 and government departments and agencies supporting exploitation of foreign markets, especially during and after World War II and the Cold War, as part of the global promotion and appeal of capitalism, democracy, and other American values (The U.S. film industry undoubtedly benefited from and participated in the spread of internationalism and liberal-developmentalism[4] on America's terms [e.g., consider the U.S. role in the formation of the United Nations versus the League of Nations].)
- Decreasing demand for movies after 1946 brought on by social change and eventually television—countered by various strategies, including increasing exploitation of foreign markets, appeal to youth audience, and interaction with and exploitation of new markets, including television and video rental markets

Market Structure

- Formation of cartels to exploit foreign markets, including the Motion Picture Producers and Distributors of American (MPPDA) in 1922 and Motion Picture Export Association (MPEA) in 1946
- Concentration of power in distribution following Paramount case divorcement and decrees in 1948
- Increasing concentration of power in conglomerates and multinational corporations participating in global entertainment and information markets, including takeovers of U.S. firms by foreign companies and individuals, such as Sony, Matsushita, and Rupert Murdoch

> Perhaps the most striking example of the shift in Japanese cinema may be seen in strictly business terms. Larger Japanese corporations involved in the production of electronic equipment (including television sets, videocassette players, and laser disc players), such as Sony, Mitsubishi, and JVC, began to invest in film production companies in the 1980s. But none of these film production companies were Japanese. Instead, these giant electronic firms invested in, and in some cases virtually took over, major Hollywood studios (Sony's takeover of Columbia is the most famous). At the same time, because the Japanese government—unlike the British or the French, for instance—has never gotten involved in film production.

> distribution, or exhibition issues (the quota systems established from time to time in the United Kingdom or other European nations) and has never funded feature films—like the Canadian, German, or Australian industries, for instance—the Japanese studios have been left to their own devices. In their downturn from production in favor of distribution and exhibition, Japanese filmmakers struggled as best they could on either lower budgets or in making large-scale, mass-market blockbusters. The latter could only rarely compete with the Hollywood product; the former had to be content to find a niche audience. (David Desser, chap. 2)

- Continued domination of domestic market (Foreign penetration of U.S. market reached 5 percent to 10 percent in the 1960s but declined to 1 percent to .5 percent in the 1990s.)

> Foreign films accounted for nearly 10 percent of the North American market during the 1960s, but this dropped to less than 1 percent by the 1990s. Foreign subsidies stimulated runaway production of U.S. films overseas throughout the 1960s and 1970s and ensured foreign distribution of cooperatively financed films. As much as 45 percent of all U.S. feature films were made abroad during this period. While U.S. productions represented less than 10 percent of the world's total movie output, U.S. firms received about 50 percent of the world's screen time and movie rentals. A few corporations that were members of the Motion Picture Export Association of America (MPEAA) accounted for nearly 85 percent of the U.S. industry's foreign rentals, and major distributors continued to dominate domestic feature film markets as well. As Thomas Guback suggested twenty years ago, "There is perhaps no industry in the United States which is so heavily dependent upon foreign markets as is the film industry. By the late 1960s foreign earnings represented about 53% of the total film rentals. Indeed, the film industry derives a larger portion of its revenue from overseas than does any other large American industry." (Gorham Kindem, chap. 20)

What are some of the implications of the U.S. leading role in the international movie industry? Each of the following developments may have resulted from the U.S. movie industry's ability to secure and maintain its leading position in the international movie industry.

- Improvement in U.S. balance of payments and promotion of U.S. products and popular culture abroad
- Rise of foreign protectionist measures, such as quotas and tariffs, and an unwillingness to contemplate free trade, if it implies virtual elimination of foreign production—also an increase in Hollywood overseas productions and coproductions as well as state funding of foreign productions.

> The ideal version of a national cinema is perhaps an entirely self-sufficient cultural and economic entity, financed by local capital, staffed

> by an entirely native workforce using locally produced technology, and expressing pure national identities and indigenous cultural traditions. As the foregoing account should have made abundantly clear, that ideal is far from having existed in Britain—and surely it has never existed in any country. Cinema has, from the very outset, been a thoroughly international phenomenon, and developments in this sphere, whether economic, political, or cultural, have almost invariably had an international dimension to them. Whether framed in terms of resistance to or collusion with Hollywood, or some other "significant other," such developments must by necessity be understood in terms of the international flow of capital, commodities, and cultures. Seepage occurs even across the most heavily policed borders. Even protectionist policies, designed to shelter "national" activities from this uneven international flow, are by nature internationalist measures, since they are premised on the idea that without the measures in place, the domestic market would be overwhelmed by foreign competitors. What we call "national cinema" is always a complex amalgam of often competing local, national, and international forces. What we call British cinema, or the British film industry, is equally complex, hybrid and in flux, and as dependent on foreign policy and international market aspirations as it is on indigenous cultural traditions and identities. (Andrew Higson, chap. 15)

> In large part because of that [U.S.] domination, the Brazilian film industry has to a great extent become dependent on government support for its survival. Outside of the United States, direct government support of national film industries is the rule, not the exception. Industries in Europe, Africa, the Middle East, Asia, Latin America, as well as Canada and Australia, are supported in one way or another by the state. Even India, which has one of the largest and most successful commercial film industries in the world, producing over seven hundred films per year, has a government- sponsored enterprise, the Film Finance Corporation, which makes the production of alternative, experimental, or less commercially oriented films possible. (Randal Johnson, chap. 17)

> Kádár's long compromise with the Hungarian people following the 1956 revolution—economic comfort in exchange for political quiescence—was financed in large part through Western loans. Hungary's Communist regime came apart in the late 1980s as the bills came due. In 1990, filmmaking as a state monopoly ended. The adoption of a market economy led to a flood of Hollywood films and sharp declines in local production. In the 1960s, an average of ten American films were distributed in Hungary each year. In the 1970s, the figure rose to about twenty, and by the late 1980s to about thirty. In the 1990s, over one hundred American films are distributed each year.
>
> The main problem, obviously, is funding. As Miklós Jancsó points out,

> the nation's population of ten million is simply too small to support a film industry that relies entirely on the market. The government did establish the Hungarian Motion Picture Foundation in 1991 to support filmmaking, but it is woefully underfunded. Because the foundation is virtually the only source of funding within the country, additional support has to be found among Western coproducers, sponsors, or investors. (Beverly James, chap. 10)

- Rise of counterstrategies among foreign competitors, such as indigenous popular genres (e.g., British working-class comedies) and art films aimed at the art house circuit, some of which have a more limited and others a more substantial economic impact upon international markets

> There is one major exception, however, to the relatively dismal picture one could paint of the state of Japanese commercial cinema today. And that is the realm of animation (anime). . . . Anime's massive popularity in Japan (and certainly more so in the West) is owed almost entirely to home video—cassette and laser disc. A primarily young audience consumes anime movies, TV shows, and OAV serials with a vengeance that quite matches the once-omnivorous audience for live-action movies. And just as Japanese movies made important inroads into popular culture and film in the West starting in the 1950s, so, too, anime maintains an important and influential Japanese cultural presence today. (David Desser, chap. 2)

> To a greater or lesser extent, all national film histories have an international history. Ex-colonies are often bounded by specific kinds of internationalism—those marked by dependency and indigence. However, Indian film is not a typical example of such conditions—being the largest film industry in the world, maintaining a commanding presence in markets within and outside India, and not being vanquished by Hollywood. In the so-called Third World, it is a cultural superpower with even imperialist aspects, for example, in African film markets. Textually, it can simultaneously be regional, national, and an international hybrid. However, colonialism has left specific institutional legacies to film in India—varying from the structure of censorship to some of the leanings of the National Film Development Corporation and of alternative filmmakers. There is further a complicated relationship with international capital. Indian film does not end with the advent of new technologies but proceeds strongly into them. (Radha Subramanyam, chap. 4)

> Neither the film industry nor the state—nor indeed large sections of the cinema-going public—has been prepared to surrender the title of national cinema to the American film industry. From the foregoing, it is possible to identify three relatively distinct economic policies adopted by the industry in response to the American cinema's control of the British market: collusion with Hollywood, competition in the international marketplace, and product differentiation in the domestic marketplace. These policies

> have rarely been developed for purely patriotic reasons: Increased profitability for British companies has always been at least as prominent a goal. Indeed, the first policy involves the entirely unpatriotic collusion of British exhibitors and American distributors to exploit the British market in a joint enterprise: the practice, already noted, of British companies circulating American films. This joint enterprise extends to British companies at various times encouraging American majors to buy shares in their outfits.
>
> The second identifiable policy is designed to challenge American market supremacy through direct competition: the production of Hollywood-style international films by the larger British companies. . . .
>
> The third strategic response to American market domination is the more self-consciously patriotic one of product differentiation: the effort to produce a distinctively British cinema by drawing on indigenous cultural traditions and identities. Given the problem of the relative smallness of the domestic market, and its correlation with budgetary considerations, film companies operating this strategy have often specialized in catering for niche audiences, such as the regional working-class audience or the art house market. Such areas are, for good reason, generally considered of marginal interest—that is, of marginal profitability—by the American majors.
>
> These three economic policies—collusion, competition, and product differentiation—respond to the problem of American market control as a national problem. (Andrew Higson, chap. 15)

- Rise of coproductions and linkages between competitors to pool resources and increase the size of their "domestic" markets and produce higher budgeted polyglot, sometimes English-language films aimed at the international market (e.g., Film Europe, Pan African movements, and the European Union)

> In conclusion, FESPACO '95 was saved by the films. It is unfortunate that what began with a Pan-African spirit is becoming more and more nationalistic. Even the awards emphasize the movement toward nationalism as the winning films become symbols of national pride and signs of cultural superiority over the countries that did not win. This situation has unwittingly created the basis for ethnocentrism, not to mention tribalism, in a region that is desperately in need of larger markets for the films than the ones celebrated by the nation-state.
>
> The devaluation of the CFA currency, like other structural adjustments that caused states to close factories and lay off people, should have turned people against the nation-states as well; the colonial boundaries adapted by independent states only serve to divide families on each side of the borders. Equally, they limit markets and prevent the universalization of dynamic African cultures beyond one nation-state. Unfortunately, African cinema at FESPACO activates more passion for nationalism among the people. The devaluation has induced some to call for their country's second independence from France, the World Bank, and the International

> Monetary Fund. Let's hope that the new African cinema, too, will embrace Pan-Africanism over nationalism. (Manthia Diawara, chap. 8)
>
> Again, the experience of István Szabó is illuminating. The box office success of *Mephisto* opened the doors to the West. Szabó chose to remain in Hungary, but his work undeniably reflects the commercial pressures to which Hungarian filmmakers are now subject. His first English-language film, *Meeting Venus,* was produced in 1991 by David Puttnam, head of Enigma Productions in London, and shot in Hungary. The film deals with the difficulties that face a Hungarian conductor, Zoltán Szantó, trying to organize a multinational production of Wagner's *Tannhauser* in Paris. Featuring Glenn Close as a temperamental diva who winds up in bed with the conductor, *Meeting Venus* has been criticized as a commercial sellout. David Paul more sympathetically shows how Zoltán represents the doubts and insecurities of Hungarians as they struggle to relate to the rest of Europe in the unfamiliar atmosphere of post-Communism. Played by the Danish actor Niels Arestrup, Zoltán arrives in Paris with "a baton case full of Hungarian complexes—now that we are free, do we really belong in Europe? I've proven myself in Budapest; do I have the talent to make it in Paris?" As a film that presents uniquely Hungarian themes in an easily accessible form, *Meeting Venus* may represent about the best hope for feature films that can succeed in an international market. (Beverly James, chap. 10)

- Increasing dependence of foreign cinemas upon television as sources of support and/or the development of transnational television programs for commercial export

> The two major West German television networks and the eight regional stations assumed a mediating role, acting as producer or distributor of feature films that would otherwise never have found a public. As government-funded but autonomous utilities with a commitment to public service, they furnished a forum in which filmmakers could engage contemporary social issues, explore historical events, and/or experiment with innovative aesthetic forms. Consequently, the unique situation of television funding in West Germany contributed to what became perhaps the most exciting and original national cinema of the 1970s. Yet, despite the boom of high-quality, prize-winning features during the 1970s, the New German Cinema was never a commercially viable industry nor was it ever able to develop a distribution network that could compete with the American multinationals in delivering its productions to the domestic German market. It may have accounted for as much as 80 percent of the country's annual production, but it drew only 4 to 10 percent of the box office receipts in the Federal Republic. After ten years of relative stability, the situation once again began to deteriorate, exacerbated by the introduction in the mid-1980s of new electronic media (video, commercial and cable television broadcasting, satellite reception, interactive computer

games). Meanwhile, the funding clinch with public television and state subsidies was drawing the aging New German Cinema ever closer to a kind of state-sponsored stagnation, while the more successful among the independents gradually drifted into international coproductions supported by foreign (i.e., American) distributors. (Marc Silberman, chap. 13)

Prior to the 1980s, few Canadian television dramas or series were exported. Those that were tended to find their market in such countries as Britain and Australia, with their similar public broadcasting systems. But with the advent of the Canadian Television and Cable Production Fund and its emphasis on prior sales and international coproductions, that situation changed dramatically. Companies have emerged that are now major players on the international television scene.

Among them are such companies as Atlantis Communications *(Traders, Gene Roddenberry's Earth: Final Conflict),* Alliance Communications *(Due South, Once a Thief),* Fireworks *(La Femme Nikita, F/X),* and Paragon Entertainment. Although these companies also produce television programs aimed more directly at the Canadian market, the above examples are more typical. Made in Canada by Canadians, they have large budgets; employ hundreds of Canadian actors, writers, and crew; and are entitled to varying degrees of financial support based on the level of involvement by Canadian personnel. They are also primarily designed for export. The industry produced $2.7 billion worth of films and television in 1995. It exported more than half of that, pushing Canada into the position of the world's second largest exporter of television programming after the United States.

Television has become big business—Canada's Hollywood—just as the feature film industry has apparently given up on the decades-old struggle for access to the mainstream marketplace. The debates in the 1970s over "art versus commerce" seem to have been resolved in two parallel and complementary directions—a typical Canadian compromise, some might wryly suggest. But, in any case, both industries continue to reflect that struggle to be "as Canadian as possible . . . under the circumstances." (Peter Morris, chap. 19)

In Israel, as in many other countries, television is becoming a major producer of fictional narratives. Because Israel has no tradition of film producers, many Israeli filmmakers believe that Israeli television, in addition to producing television dramas, must play a major role in producing theatrical features if the Israeli cinema is to survive and flourish. Although Israelis will tune in to television broadcasts of Israeli films, they seem unenthusiastic about patronizing these films when screened in the theater. Ticket sales vary from just a few thousand to a few hundred thousand, seldom reaching a million. Television broadcast rights

> rarely bring more then $100,000. If one counts private investments, in-kind contributions, deferred and conditional-upon-profit wages, the average film budget climbs to about $750,000. Working with such a limited budget seriously hinders production values. Many films are produced without adequate art direction, rehearsal time, complex camera setups, or a reasonable number of shooting days. Yet, each year there appear at least two or three outstanding films, whose artistry and content stand with the best in the world. Though these films often have successful festival records, they receive minimal if any U.S. distribution or exhibition. Recently, Amosgitai's *Kodosh* became the first Israeli film to be selected for the Cannes Film Festival. Were it not for the many Jewish and Israeli film festivals held throughout the United States and Canada, these films would never be seen in the West. (Owen Shapiro, chap. 6)

- Decline of foreign production through an inability to compete with Hollywood, talent drain, and lack of access to or appeal in U.S. market
- A homogenization of some U.S. products through appeals to the broadest possible international audience or lowest common denominator and an emphasis upon spectacle, action, special effects, product placements, and commercial tie-ins that favor Hollywood's high production budgets and new technologies
- Reduced willingness for the U.S. government to provide financial support for noncommercial and alternative forms of domestic film and video production or for the government itself to become significantly involved in film and video production.

Clearly many countries' domestic movie markets have been greatly impacted if not dominated by Hollywood movies since at least 1917; others have maintained significant control over their domestic markets either by producing indigenous genres that have been extremely popular and successfully competed with Hollywood movies, such as Indian musicals (and Hong Kong action films, for that matter), or by having placed strict limits on the number of Hollywood films that have been distributed in their domestic markets, such as in Hungary prior to the fall of Communism or in China today.

Despite the undeniable importance of the U.S. movie industry internationally since at least 1917, the history of any other movie industry and indeed of the international movie industry as a whole cannot be defined exclusively in terms of cooperation or competition with Hollywood. The authors whose work is presented in this book go beyond writing historical narratives of cultural capitulation or resistance to Hollywood. Instead, as Joanne Hershfield cogently argues in her history of the Mexican movie industry, "[T]he history of any national cinema is structured through a more complex operation of shifting strategies and alliances of domestic and foreign policies, economic and political ideologies, and social and cultural practices." Many chapters explore the effects of national and international crises, such as wars, economic recession and depression, revolution and other dramatic political changes, as well as shifting domestic policies. In addition, resistance to Hollywood is not treated exclusively as a national or domestic initiative, since multinational developments, including Film Europe during the 1920s and more contemporary European Union policies and strategies as well as Pan-African developments, have involved several countries and movie industries. Finally, resistance to Hollywood is rarely presented as a simple or a static phenomenon. As Marcus Breen aptly points out in his study of the Australian movie industry, "The political economy I adopt sees the United States and 'Hollywood' not as a simplified antagonist in an instrumental turn but as part of the larger perspective of world capitalism, where changes to components of production may provide new spaces for innovation in national and localized film." He states that "the political economy of the contemporary film industry is one that continues to undergo rapid change, as film production a la Hollywood is perpetually a model to emulate and reject."

Notes

1. Staiger and Gomery define tariffs and quotas in the following manner: "[A] tariff usually reduces the supply of a given import and, as a type of tax, generates revenue for the government. On the other hand, a quota specifically controls the supply of imports: for example, depending on the particular form of the quota, a government can limit certain types of imports or it can regulate the proportion of foreign goods versus domestic production. Both quotas and tariffs directly affect a country's balance of trade, but they do *not* necessarily affect current *export* capabilities—an important consideration for capitalist industries which seek to expand their markets." See Janet Staiger and Douglas Gomery, "The History of World Cinema: Models for Economic Analysis," *Film Reader 4* (1979): 36. Staiger and Gomery also suggest that France and especially Germany seriously challenged U.S. incursions into European markets during the 1920s: "[C]ontrary to the standard accounts, Hollywood's domination of French and German exhibition was neither total nor unchallenged. In fact, the U.S. began to feel the results of retaliation by the end of the decade with a subsequent reduction in its share of the market in Germany and France" (42).
2. See Kristin Thompson, *Exporting Entertainment: America in the World Film Market, 1907–34* (London: British Film Institute, 1985); and Richard Abel, *The Ciné Goes to Town: French Cinema, 1896–1914* (Berkeley: University of California Press, 1994). See also Ian Jarvie, *Hollywood's Overseas Campaign: The North Atlantic Movie Trade, 1920–1950* (Cambridge: Cambridge University Press, 1992); David Puttnam and Neil Watson, *The Undeclared War: The Struggle for Control of the World's Film Industry* (New York: HarperCollins, 1997); and Thomas Guback, *The*

International Film Industry: Western Europe and American since 1945 (Bloomington: Indiana University Press, 1969).

3. See Frederick Scherer, *Industrial Market Structure and Economic Performance,* 2nd ed. (Chicago: Rand McNally, 1980), 4; and Robert C. Allen and Douglas Gomery, *Film History: Theory and Practice* (New York: Knopf, 1985), 139.
4. Emily Rosenberg, cited by Ian Jarvie, 15–16, defines the ideology of liberal-developmentalism in terms of five major features: "(1) the belief the other nations could and should replicate America's own developmental experience; (2) faith in private free enterprise; (3) support for free or open access for trade and investment; (4) promotion of free flow of information and culture; and (5) growing acceptance of governmental activity to protect private enterprise and to stimulate and regulate American participation in international economic and cultural exchange." Emily Rosenberg, *Selling the American Dream* (New York: Hill and Wang, 1982), 7–8.

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Contributors

Marcus Breen teaches in the Department of Communication Studies at the University of North Carolina at Chapel Hill and is a former consultant on media industries for the government of Victoria, Australia. He is the editor of a two-volume collection on Australian popular music, *Missing in Action* and *Our Place Our Music, Aboriginal Music,* and the author of *Rock Dogs: Politics and the Music Industry in Australia.*

David Desser is a professor of cinema studies at the University of Illinois, Urbana-Champaign. He is the author of *The Samurai Films of Akira Kurosawa* and *Eros Plus Massacre: An Introduction to the Japanese New Wave Cinema.* He is the editor of *Ozu's Tokyo Story* and the coeditor (with Arthur Nolletti Jr.) of *Reframing Japanese Cinema* and (with Linda C. Ehrlich) of *Cinematic Landscapes.* A former editor of *Cinema Journal,* he is currently series editor for Cambridge University Press's National Film Traditions.

Manthia Diawara is a professor of African studies at New York University. He is the author of *African Cinema: Politics and Culture,* the editor of *Black American Cinema,* and the coeditor of *Black British Cultural Studies.*

Leif Furhammar was a film professor at the University of Stockholm between 1978 and 1991. He has also been a TV critic for *Dagens Nyheter,* a TV producer, and a filmmaker. He is the author of several books on film history and television, including *Politics and Film* and *Filmen I Sverige, En Historia I Tio Kapitel.*

Susan Hayward is a professor of French at the University of Exeter. She is the author of *French National Cinema; French Film, Texts and Contexts;* and *Key Concepts in Cinema Studies* and the editor of Routledge's series on national cinemas.

Joanne Hershfield teaches media studies and video production at the University of North Carolina at Chapel Hill. She is the author of *Mexican Cinema/Mexican Woman, 1940–50* and *The Invention of Dolores del Río;* the coeditor (with

David R. Maciel) of *Mexico's Cinema;* and the director of several documentaries.

Andrew Higson is a senior lecturer in film studies at the University of East Anglia. He is the coeditor of *"Film Europe" and "Film America": Cinema, Commerce and Cultural Exchange, 1920–1939,* the editor of *Dissolving Views: Key Writings on British Cinema,* and the author of *Waving the Flag: Constructing a National Cinema in Britain.*

Beverly James is an associate professor of communication at the University of New Hampshire. Her research centers around the commercialization of culture in Hungary, and she has published articles on Hungarian media and culture in *Critical Studies in Mass Communication, Javnost/The Public,* and *Journal of Popular Culture.*

Randal Johnson is a professor and chair of Spanish and Portuguese at the University of California, Los Angeles. He is the author of *Literatura e cinema, Cinema Novo x 5: Masters of Contemporary Brazilian Film,* and *The Film Industry in Brazil: Culture and the State* and the coeditor of *Brazilian Cinema.*

Gorham Kindem is a professor of communication studies at the University of North Carolina at Chapel Hill. He is the editor of *The American Movie Industry;* the author of *The Live Television Generation of Hollywood Film Directors;* the coauthor of *Introduction to Media Production, from Analog to Digital;* and the director of several public television documentaries.

John A. Lent is a professor of communications at Temple University, chair of the Asian Cinema Studies Society, and editor of *Asian Cinema.* His fifty-five books and hundreds of articles treat mass communications and popular culture, mainly in Asia and the Caribbean. Among them are *Asian Popular Culture* and *The Asian Film Industry.*

Peter Morris is a professor in the Department of Film and Video at York University in Toronto. He is the author of *Embattled Shadows: A History of Canadian Cinema, 1895–1939* and *The Film Companion* and the editor and translator of George Sadoul's *Dictionary of Films* and *Dictionary of Film Makers.* He has also published numerous articles and monographs on Canadian and international film. His most recent book is *David Cronenberg: A Delicate Balance.* He has been president of the Film Studies Association of Canada and editor of the *Canadian Journal of Film Studies* and is currently coordinator of the Fine Arts Cultural Studies Programme at York University.

Hamid Naficy is an associate professor of film and media studies at Rice University. He has written extensively about Middle Eastern and Iranian cinemas as well as about theories of exilic and diasporic cultures and media. His English-language books include *The Making of Exile Cultures: Iranian Television in Los Angeles; Otherness and the Media: The Ethnography of the Imagined and the Imaged* (coedited with Teshome Gabriel); *Iran Media Index;* and *Home, Exile, Homeland: Film, Media, and the Politics of Place.* His forthcoming books are *Making Films with an Accent: Exilic and Diaspora Cinema* and *Iranian Cinema.*

Cristina Degli-Esposti Reinert is a visiting associate professor of media arts at the University of Arizona. She is the coeditor of *Perspectives on Federico Fellini* and the editor of *Postmodernism in the Cinema,* forthcoming. She has written numerous articles on Italian, British, and American cinema.

Owen Shapiro is a professor and director of the film program in the College of Visual and Performing Arts at Syracuse University. He has cowritten and published articles on film and the Holocaust and is an award-winning filmmaker. He has been a Fulbright scholar at Tel Aviv University and has served as a judge for or been a participant in the International Student Film Festival in Tel Aviv since its inception in 1986.

Arnold Shepperson is a researcher in the Centre for Cultural and Media Studies at the University of Natal, Durban. He is a contributing reviewer to *African Feature Film,* an education catalog published by the Film Resource Unit. He has published in *Research in African Literatures, S-European Journal of Semiotics,* and *Acta Semiotica Fennica.*

Dmitry Shlapentokh is an associate professor of Russian and world history at Indiana University at South Bend. He is the coauthor of *Soviet Cinematography, 1918–1991: Ideological Conflict and Social Reality* and *Ideologies in the Period of Glasnost: Response to Brezhnev's Stagnation* and the author of *The French Revolution in Russian Intellectual Life (1865–1905)* and *The Counterrevolution in Revolution,* as well as of numerous articles on Russian history.

Marc Silberman is a professor of German at the University of Wisconsin in Madison and has been a guest professor at the Free University of Berlin. He is the author of books and articles on twentieth-century German literature, culture, and cinema, including *German Cinema: Texts in Context,* and the editor of the *Brecht Yearbook* for the International Brecht Society. His volume of translations of critical texts and screenplays by Bertolt Brecht on the cinema and radio broadcasting has recently been published.

Radha Subramanyam is an internal business consultant and project manager at NBC Cable Networks in New York and has also worked for Viacom (MTV Networks). She has served on the faculty of New York University and Vassar College and has published extensively on Indian cinema and media.

Keyan Tomaselli is a professor and director in the Centre for Cultural and Media Studies at the University of Natal, Durban. He is the author of *The Cinema of Apartheid: Race and Class in South African Film* and the editor of *Critical Arts: A Journal for Cultural Studies*. He has served on the Film Reference Group and was cowriter of the government's *White Paper on Film Policy*.

Faye Zhengxing is an assistant professor of communications at Lynchburg College and a member of the Asian Cinema Studies Society. She has published articles in the *Christian Science Monitor, China Daily*, and *Asian Cinema*.

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